FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,111 Thursday March 6 1980 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pta 70; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

Afghan peace plan snubbed

The sharpest rejection yet of the West's proposals to declare Afghanistan a neutral state, in *return for withdrawal of* Russian troops, has been published in a leading Soviet journal.

The New Times weekly dismissed the plan as distracting attention from the "undeclared war" being waged against Afghanistan by "the henchmen of *imperialist* circles."

The comment indirectly confirms Western intelligence reports that, far from pulling out, the Russians are reinforcing their troops in Afghanistan in readiness for a heavy crackdown on insurgency.

Countryman rebuff

Operation Countryman's former head, Arthur Hambleton, was rebuffed by Metropolitan Police Commissioner Sir David McNee and City of London Police Commissioner Peter Marshall. In a joint statement they said his earlier criticisms were "dangerously premature speculation."

Baker backs out

U.S. Senate minority leader Howard Baker withdrew from *the Republican Presidential* race after heavy losses in the Massachusetts and Vermont primary elections. Congressman John Anderson has emerged as a front-runner with Ronald Reagan and George Bush. Page 4

Wine scandal

A second major scandal in five years threatens the reputation of France's wine trade. Cheap red wine, 500,000 bottles of it, is said to have been passed off in the U.S. as being of quality vintage. Page 2

Lisbon denial

Portugal's President Eanes defended radical officers on the *Revolutionary Council*, denied there was a plot to overthrow the Right-wing Government, but admitted the council had discussed the possibility of the Government's resignation. Page 2

Royal odds

Prince Charles is to make his first ride over jumps on Saturday at Sandown. Joe Coral offer 10-1 against him winning

Prior hint

Employment Secretary James Prior hinted that if pushed too far by Cabinet colleagues he would feel obliged to resign. But the possibility is not taken seriously by powerful Cabinet *allies unwilling to see him go.* Back and Page 10

Lamb injunction

An interim injunction against illegal French curbs on British lamb imports is to be sought from the European Court of Justice by the EEC Commission "within the next few days." Back Page

Mulley ill

Mr. Fred Mulley, 61, former Labour Defence Minister, was in serious condition in a U.S. Air Force hospital at Omaha, Nebraska, *after suffering* a heart attack.

Pin-stripe holds

Wearing conventional clothes to work—particularly the three-piece pin-stripe suit — is still seen as an essential step towards promotion, according to a Consumers' Association survey. Page 7

Briefly . . .

BBC Television will not cover this year's Derby because of financial cuts.

BUSINESS

Gilts improve; Dollar eases

● DOLLAR was slightly weaker mainly on technical reaction to its recent rise. It closed at DM 1.7885 (DM 1.7900) and SwFr 1.7100 (SwFr 1.7180). Its *index was unchanged at 86.6.* ...

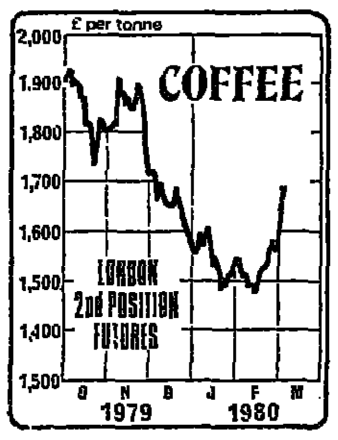
● STERLING closed at $2.2415, a rise of 40 points. Its index rose to 72.3 (71.7)

● GOLD rose $9 in London to close at $646½, ahead of the IMF auction in the U.S.

● GILTS *regained composure* as interest rate anxieties subsided, and there were gains of up to a point in longs and 11/16 in shorts. The FT Government Securities index closed 0.35 up at 64.31.

● EQUITIES also rallied, the FT 30-share index closing 4.3 up at 460.4.

● COFFEE futures in London rose £54.50 to £1,687.5 a tonne, the highest level since



December 10: May coffee has risen £129 in the last four trading days. Page 33

● WALL STREET was down 5.11 at 851.37 before the close.

● SEVERAL North Sea oil companies are reassessing their programmes because of delays in new Government energy policies. Back Page

● BANK of England is to become more accountable in public for its policies and views. Senior officials are to appear regularly before the Select Committee on the Treasury and Civil Service. Back page

● CHANCELLOR Sir Geoffrey Howe invited the CBI and TUC to put forward their views on how North Sea oil revenue should be used to help industry. Back Page

● LOSSES at Decca, about to be absorbed by Racal, have risen sharply in the past few months and could reach £10m for the year to March 31. Back page

● GOVERNMENT has been urged by a Tokyo consultancy to set up an Anglo-Japanese advisory committee to boost Japanese investment in the UK. Page 4

● TEXTILE companies may have to consider plants in less developed countries, warned Textile Institute president. Page 7

● NEW company, Fiat Auto (UK) has been formed to take over sales and marketing operations of the Fiat and Lancia marques. But the two dealer networks will remain separate. Page 8

COMPANIES

● MATTHEW CLARK and Sons (Holdings), wine and spirit shippers, reports pre-tax profits up from £1.68m to £2.17m in the eight months to December 31. Page 25

● AAH distribution services, reports pre-tax profits up by £2.3m to £6.46m for the nine months ended December 31 on increased turnover of £240.64m (£189.78m). Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 12pc 1984	£89⅞	+ 1⅞
Treas. 12¼pc '03-05 A (£70 pd.)	£65¼	+ 1
AAH	137	+ 9
Barclays Bank	438	+ 6
Bowring (C. T.)	137	+ 4
Channel Tunnel	137	+ 12
Debenhams	88	+ 3
Elys (Wimbledon)	142	+ 10
Fisher (J.)	295	+ 7
GEC	378	+ 7
Grand Metropolitan	138	+ 6
Hamilborne	73	+ 8
Herrburger Brooks	71	+ 8
Hillards	162	+ 6
May and Hassell	93	+ 5
Metal Box	266	+ 12
Peters Stores	56	+ 3
Provident Financial	99	+ 5
Staveley Inds.	182	+ 6
Trusthouse Forte	174	+ 7
Unilever	447	+ 13
Whitbread A	143	+ 4
IC Gas	778	+ 34
Shell Transport	410	+ 12
Viking Oil	£10	+ ½
Guthrie	785	+ 30
Highlands Lowlands	120	+ 8
Canadian Lencourt	100	+ 33
Cons. Gold Fields	528	+ 10
Hampton Areas	360	+ 35
Kloof Gold	£15¾	+ ½
Rustenburg Plat.	272	+ 8
Southern Malayan	400	+ 20
FALLS		
Fidelity Radio	65	− 9
Kode	205	− 21
Leigh Interests	129	− 4
Cent. Pacific Mins.	£22½	− 1
Sthn. Pacific Pet.	825	− 38
Zambia Copper	43	− 4

Steel unions draft new claim in bid to settle strike

BY CHRISTIAN TYLER, LABOUR EDITOR

The steel unions are preparing a joint bargaining document which they hope will persuade British Steel Corporation to look for a negotiated settlement to the nine-week national strike.

This new initiative was the result of a conference of lay delegates and officials of the 13 unions in BSC yesterday.

The conference also approved the decision of union leaders on Tuesday night to intensify the strike *by issuing new instructions* to their members not to cross any steelworkers' picket lines.

*Yesterday's apparently contra*dictory decisions had all the signs of a tactical manoeuvre designed both to by-pass the "ballot about a ballot" being conducted by BSC and to demonstrate that morale has not been sapped by the long strike.

The decision to step up the action was greeted with an expression of amazement bordering on ridicule by Sir Charles Villiers, BSC chairman, *and Mr. Bob Scholey, the chief* executive.

They are pinning their hopes on the result of the ballot, due on Monday, but seem ready to respond to the new negotiating avenue opened up.

BSC said last night: "We will look very closely at anything the unions put forward."

First reports from the steel areas suggest that the ballot asking the strikers whether they want to vote on the "final" 14.4 per cent pay offer will be inconclusive.

Many BSC workers may spoil their papers, and some of those voting Yes said yesterday that they would vote No on the second ballot.

Mr. Scholey said before the delegate conference decision was known that many union members would wonder of their leaders "what the hell they are on about." He had received 500 letters from BSC employees running 10 to one in favour of BSC.

Sir Charles went so far as to say in a television interview: "Thank goodness we're controlling the work force."

Mr. Bill Sirs, general secre*tary of the Iron and Steel Trades* Confederation, said of the conference: "No-one was disillusioned. No-one felt we were in a position to have need of a mediator at the moment or of wanting to give in."

The idea of a mediator has been shelved for the time being, presumably to be wheeled out again if the latest negotiating approach fails.

The conference endorsed creation of a joint trade union co-ordinating committee to "prosecute the strike" as well as act as a negotiating vehicle.

Ten union leaders from the five traditionally separate negotiating groups started last night work on a claim document which will be based on BSC's last draft of required de-manning and productivity conditions.

It was not clear whether the unions would include a figure for pay rises.

Negotiations were suspended after the ISTC and its ally, the National Union of Blastfurnace*men, submitted their own* negotiating document seeking a 20 per cent rise.

BSC hopes that the all-union claim will be a lot less strong, in terms of both cash and conditions.

The International Metalworkers' Federation in Geneva told European affiliates yesterday to "ensure that steel produced in Europe does not reach Britain."

Strike effects, Page 9

New look at EMS after secret Schmidt talks

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE Government is reconsider*ing its attitude towards the Euro*pean Monetary System before the EEC summit in Brussels this month. This is the direct result of the secret talks in London at the end of February between Mrs. Margaret Thatcher and Chancellor Helmut Schmidt of West Germany

The issue has lain dormant since the UK decided at the end of 1978 not to link sterling with the currencies of the other eight EEC countries in a narrow band of variation in the exchange rate part of the system.

The reasons for the re-examination are partly political and concern Britain's general relationship with the EEC. But it has also been argued, notably by some senior officials of the Bank of England, that participation by sterling is desirable on economic grounds.

Senior Treasury officials appear much more sceptical. *They seem to doubt that the* circumstances which justified the decision to stay out 15 *months ago have changed* significantly.

Sir Geoffrey Howe, the Chancellor, criticised the original proposals and both Mr. John Biffen, the Chief Secretary, and Mr. John Nott, the Trade Secretary, strongly oppose full participation. The Foreign Office has, however, consistently favoured joining.

Consequently, it would still be surprising if sterling was *linked with the other EEC* currencies in the next two or three months, as there would almost certainly be a major Cabinet row. The key point is that the question is being reconsidered at all.

It has happened as a direct result of Mrs. Thatcher's talks with Chancellor Schmidt, who aparently indicated that West Germany was interested in UK participation.

Previously it had been thought in London that the rest of the EEC was not particularly eager *for a currency as volatile*—and, over the last year, as strong—as sterling to be a member. There are now suggestions that, with the dollar strengthening, sterling might fit more easily into the system.

On the political level, the question is being re-examined in the broader context of the EEC's objectives. Full participation by sterling, it has been suggested might form part of *Britain's wider attempt* to reduce its net contributions to the EEC budget. But such a link is strongly resisted by the Treasury.

The issue has also been taken up by those who are not keen on floating exchange rates and those who want to lower the level of sterling to help the competitive position of industry, and by some who hold both views.

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Economic Viewpoint, Page 22

Plan to sell 49% stake in docks

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE GOVERNMENT is to sell off up to 49 per cent of the British Transport Docks Board, the nationalised industry which controls 19 ports handling more than a fifth of UK trade.

It intends to introduce legislation into Parliament before the end of this year to turn the board into a public company. The Bill should be on the *statute book by mid-1981 and* the intention is that capital will be offered for sale late next year or in early 1982.

The British Transport Docks Board is Britain's largest port authority and one of the most successful. Under the chairmanship of Sir Humphrey *Browne, it has steadily* increased its profits over the last decade.

The sale is part of the Government's policy of attracting private capital into the more *profitable parts of the national*ised sector. It is line with plans to denationalise the National Freight Corporation, to involve private capital in some more profitable subsidiaries of British Rail (such as hotels and property) and to make available shares in British Airways.

In a written Parliamentary answer yesterday, Mr. Norman Fowler, Minister of Transport, said it was desirable to find ways of reducing the Government's financial involvement in the Docks board's affairs and of giving it more freedom from Government control.

At present the board's investment decisions are limited by the investment ceilings imposed on nationalised industries. The board's ability to borrow is also impaired by its nationalised status.

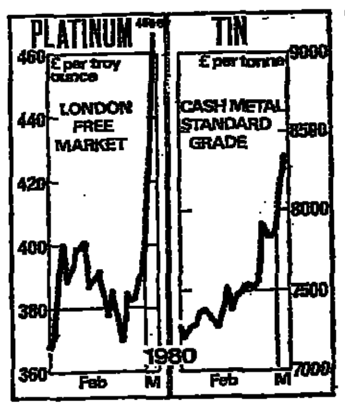
The Minister stressed that there was no intention to split

BRITISH DOCK BOARD

	Revenue £m	Net profit £m
1972	48.9	(1.4)
1973	56.2	1.7
1974	64.1	0.7
1975	77.5	0.8
1976	99.1	6.2
1977	110.5	7.3
1978	119.9	7.0
1979	135*	6.0*

*Estimate

Continued on Back Page



Platinum jumps to £466

By John Edwards, Commodities Editor

LONDON TRADERS were baffled yesterday by yet another huge rise in free market platinum prices to record levels. The sterling value jumped by £35.60 to £466.60 a troy ounce, while the dollar price rose over the $1,000 mark for the first time to $1,047.50.

The surge in prices started last week when the market moved up by nearly £20 after having fallen sharply in the wake of the reaction that hit the gold price. But during the past three days the price has *jumped by over £77 for no* apparent reason.

The pressure on prices is understood to be coming *from* the New York platinum futures market, where speculators have a dominant influence.

Severe restrictions on gold and silver futures trading introduced in Chicago and New York, may have switched interest to platinum instead.

Platinum is particularly vulnerable to speculative buying since the free market is estimated to account for only about 1m ounces traded a year. The *remaining 2m ounces* produced by the big South African mines is sold direct to consumers at a fixed producer price, presently $420 an ounce.

Moves are being made to increase the deposit required to trade in New York platinum futures from its present level of $50 an ounce (compared with $150 for gold, the price of which is currently some $400 cheaper).

Another metal to hit record prices yesterday was tin. The cash price on the London Metal Exchange rose by £137.5 to £8,347.5 a tonne.

Commodities and Agriculture, Page 33

£ in New York

—	Mar. 4	Previous
Spot	$2.2385-2400	$2.2330-2350
1 mth	0.57-0.52 dis	0.58-0.53 dis
3 mths	0.98-0.93 dis	1.14-1.09 dis
12 mths	2.60-2.45 dis	2.85-2.75 dis

Whites could 'participate' if Smith resigns

BY MICHAEL HOLMAN IN SALISBURY

MR. IAN SMITH, the former Rhodesian Prime Minister, is likely to be asked to stand down as the leader of the Rhodesian Front and surrender his Parliamentary seat, as the price of his party's participation in the new Zimbabwe Government.

It is understood that Mr. Robert Mugabe, Prime Minister designate, is prepared to have at least one member of his Government from the ranks of the Rhodesian Front, which holds all of the 20 white seats in the 100-member Assembly.

Mr. Mugabe is apparently ready to offer a government post to the Rhodesian Front in the interests of reconciliation, but faces considerable opposition to the move from within his own party's central comittee.

It is believed that the compromise being discussed is that Mr. Smith, who declared Rhodesia illegally independent nearly 15 years ago, and who remained Prime Minister until last year, should stand down as party leader and as an MP. Only then will a majority of the ZANU PF central committee be likely to back Mr. Mugabe's plan to include a Rhodesian Front minister in his Government.

Since *his massive election* victory on Monday, Mr. Mugabe has gone out o this way to reassure the 230,000 strong white community in Rhodesia and has already invited General Peter Walls, chief of the Rhodesian security forces, to preside over the integration of the guerrila and regular army. He has also pledged that pensions and property rights will be respected.

There is speculation that Mr. Mugabe might ask either Mr. David Smith, the Finance Minister in the last government, or Mr. Rowan Cronje, a junior minister.

Both men were at the Lancaster House conference, where they were known to have urged Mr. Ian Smith to accept the British settlement plan.

Mr. Mugabe, continuing his consultations towards the formation of his government yesterday, met his former Patriotic Front ally, Mr. Joshua Nkomo, who seems certain to be offered a senior post in the new government. Mr. Nkomo's party won 20 of the 80 black seats in the election.

Although there has been *some speculation that* Mr. Nkomo might be offered the presidency of the new republic, it is believed that the veteran leader would like to hold out for the deputy premiership—possibly combined with the Ministry of Defence or an economic portfolio.

British diplomats last night indicated that Lord Soames, the governor, is prepared to stay on for three to four weeks, which would allow an independence date to be fixed either at the end of this month or in the first half of April.

It is understood that Lord Soames is recommending to Mrs. Margaret Thatcher, that there should be an impressive celebration of independence, pos*sibly attended* by a *member* of the Royal Family.

● Mr. Hector Macdonald, the Rhodesian Chief Justice, and two senior members of the judiciary have announced their resignations. During the Lancaster House conference the Chief Justice hinted that he and other judges would resign should Mr. Mugabe and Mr. Nkomo come to power.

Carrington welcome

LORD CARRINGTON, the Foreign Secretary, yesterday formally congratulated Mr. Robert Mugabe on his election victory.

In a message to the Prime Minister-designate, he wished him "every success in the task of forming a government which will offer a prospect of a peaceful and stable future for all the people of Zimbabwe."

Britain is expected to provide substantial assistance to the new government, although discussion of the content and terms of the programme is at an early stage.

Mr. Mugabe has already accepted in principle an offer of help with a military training programme based in part on the role of British members of the Commonwealth ceasefire monitoring force. More than 40 British soldiers are based at two guerrilla training camps, each accommodating a battalion.

Britain is already committed to help those guerrillas who *wish to return to civilian life.* Assistance could also be provided for the police and Civil Service, as well as training in Britain.

An important element in the aid programme will be a contribution to an Agricultural Development Bank. This project was agreed to during the Lancaster House talks, but no figures are available.

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For latest Share Index phone 01-246 8026

Bankers protest at 'political' attitude of magistrates in party funds revelations

Italy rocked by arrest of bankers in Italcasse affair

BY PAUL BETTS IN ROME

THE ITALCASSE affair, which Italian insiders know has been fizzling for the past two years, has exploded with a vengeance at the worst possible moment for the minority Government of Sig. Francesco Cossiga and for Italy's long-ruling Christian Democrat Party.

In the past 48 hours, a Cabinet Minister has resigned and 38 leading members of Italy's banking and financial establishment have been arrested on charges of alleged embezzlement of public funds.

The scandal has sent shock waves throughout the banking system and the Christian Democrat Party, which was meeting last night to elect a secretary-general. It is likely to weaken further a government which is already fighting for survival.

The bankers have all sat, at some time between 1970-77, on the board of Italcasse, the central savings institute which controls, through the savings banks, nearly a third of all bank deposits. They are accused of having favoured certain priviledged clients, and advancing them credits without first obtaining proper guarantees. The financiers are accused of securing, and making improper use of, Italcasse funds.

Resigned

Sig. Franco Evangelisti, the Merchant Navy Minister and Chef de Cabinet of Sig. Giulio Andreotti, the former Prime Minister, resigned after admitting he had accepted money, to finance his political activities, from Sig. Gaetano Caltagirone, the eldest member of a family of Rome builders, who had received substantial loans from Italcasse.

Some of the financial establishment's most illustrious members have been detained, however temporary that detention may be. They include Sig. Giordano Dell'amore, a former minister and head for 25 years of Europe's largest savings bank, the Milan-based Cariplo Savings Institute. Others include Sig. Arcangelo Belli, managing director of SGI, Italy's largest private construction and property group, formerly owned by Sig. Michele Sindona, the runaway Sicilian financier, the chairmen of some of Italy's most important savings banks, and Count Edoardo Calleri di Sala, a former president of the Piedmont region.

The affair has brought into the open, *in the most theatrical* Italian fashion the way in which the largely Christian Democrat-dominated banking system for years distributed money to the political parties—not only to the Christian Democrats but also to the Socialists, particularly during their period in coalition.

Until 1974, when legislation was introduced for publicly financing political parties, all parties had to rely on external *sources to finance some* activities.

Of these, Italcasse, under the management of Sig. Giuseppe Arcaini, its late director-general, who before he died last year had been accused of running a so-called "black fund" for alleged political handouts, was widely regarded as a main source of Christian Democrat finance. Even since 1974 Italian parties have seemingly continued to draw funds directly or indirectly from various sectors of the banking system.

In turn, this led to somewhat questionable criteria being adopted for the nomination of senior bankers, and favours being exchanged between industry, banks and politicians, and between certain bankers, financiers and politicians.

Sig. Evangelista, (above left) the former minister who resigned and Sig. Dell'amore, in detention

Cliques

It was, and still is, a system of cliques with interrelated interests which has dominated Italian political and economic life during the past three decades. Moreover, it was a *system which appeared to work* during the years of Italy's economic miracle, in the 1950s and 1960s, but which has been breaking down with the recession, the collapse of a series of major financial empires, and the changing balance of power between and within the political parties, especially the Christian Democrats and the Communists.

All this has been widely known in Italy in recent years. It also explains the peculiar public reaction to the sensational events of the past 48 *hours. In most countries the* resignation of a senior Minister and the detention, however temporary, of a large slice of the banking establishment would have provoked astonishment. But the public response in Italy has been one of titillation, as much as indignation. It was, *after all, not altogether* unexpected that something would eventually happen in the two-year-old judicial inquiries into the affairs of Italcasse and some of its leading clients.

At the same time, the affair is not just a scandal over alleged misdirection of public funds, but has a peculiar Italian connection. Tuesday's widespread arrests and the Minister's resignation *are not necessarily the end* product. Indeed, it does not follow that the 38 bankers and financiers arrested will be convicted or even brought to trial. Nor does it follow that the Minister's political career is ruined.

The dramatic nature of the arrests—armed police swooping at dawn on the bankers' homes or detaining them at airports or other public places — is also peculiarly Italian. Morever, the timing and manner of the arrests should not be viewed in isolation from other political and indeed personal factors, including private vendettas.

While vendetta is perhaps too strong a word for the magistrature, Italy's judiciary in recent *months has launched a growing* number of controversial initiatives. In a sense, these derive from the highly political character of the judiciary, which reflects all three main parties, including the Communists, as well as the smaller ones. In the present political power vacuum, *some magistrates have also* at times given the impression of over-stepping their constitutional powers.

In the specific case of the Italcasse affair, the magistrate who ordered Tuesday's arrests is Sig. Antonio Alibrandi, who last year conducted a controver*sial and unprecedented inquiry* into the Bank of Italy (the Central Bank). That affair led to the arrest and subsequent *release of a Central Bank deputy* director-general and charges, later dropped, against Dr. Paolo Baffi, then the Central Bank's *governor. Only a few weeks ago,* Sig. Alibrandi again hit the headlines, when his son was arrested and later released on unsubstantiated charges alleging he had taken part in a terrorist raid.

Criticism

His latest sensational move in the Italcasse affair has provoked a barrage of criticism from the Italian National Banking Association and from leading politicians, who are urging a reform of the banking laws and a reduction of magistrates' powers, especially in their apparently indiscriminate use of their right to demand people *in custody. For some time,* the association has claimed Italian banking laws discriminate unfairly against public sector bankers, who face far more serious charges than private sector bankers in cases of mismanagement or lending errors.

Concern is also growing that the judiciary—itself often accused of "legal terrorism" in a country which has had to learn in recent years to live with political terrorism — could undermine even further some key economic institutions.

Against this background, it is too early to assess how the affair will develop. It is equally too early to know why it exploded this week, after simmering for the past two years. But already the intricate composite of the complex world of Italian politics, finances and personal feuds has emerged clearly into the open.

Military coup plot plunges Portugal into uncertainty

BY JIMMY BURNS IN LISBON

A REPORT that a group of Left-wing military officers had plotted the downfall of Portu*gal's centre-right Government* has uncovered a Pandora's box of vested interests and has plunged the country unex*pectedly into considerable* political uncertainty.

The report, which appeared in three leading right-wing newspapers on Tuesday, claimed that members of Portugal's constitutional watchdog, the Council of the Revolution, had discussed the possibility of *issuing a military* pronouncement to force the resignation of the Government.

A further allegation was that *President Antonio Ramalho* Eanes, who is also chairman of the Council, had been told of the plot and had given it his tacit approval.

The military officers involved were quick to issue a complete denial. The officers named carry little clout within the military establishment and President Eanes is looked upon, even by his most virulent opponents, as a democrat committed to keeping the military as far removed from politics as possible.

Since becoming Commander-in-Chief of the armed forces in 1976 he has gradually edged out both left-wing and right-wing officers such as Major Otelo de Carvalho and General Antonio Spinola, both suspected of coup-mongering in the past.

But in the fishbowl atmosphere of Portuguese politics, whether a rumour is proved true or false is not altogether relevant. When the rumour happens to involve the Government, the President, and the armed forces it has all the elements of a crisis.

Thus what began early on Tuesday morning as a speculative and poorly-sourced front page story has snowballed to *such an extent that by* yesterday the Government, the President, and the Council of the Revolution appeared to be locked in hostile confrontation.

Following an emergency Cabinet session and an unscheduled meeting between Dr. Francisco Sa Carneiro, the *Prime Minister, and President* Eanes, the Government issued a strongly-worded statement attacking unnamed members of the Council of the Revolution and leaders of the Opposition for involving themselves in "destabilising manoeuvres."

Rather than play down the *morning's rumour, the state*ment appeared to lend implicit credence to it, using it at the same time as an excuse to criticise the serious "political implications" of a national transport strike declared by the country's main trade union movement, the Communist-*dominated Intersindical.*

A willingness not only to refer to the supposed plot but to extend this into a major political statement has been demonstrated by President Eanes. Late on Tuesday night, his office issued a short statement describing the newspaper reports as completely "false," *and promising to clarify the posi*tion in greater detail. Yesterday morning a six-page statement followed, the longest made by the President since his traditional state of the nation speech on New Year's Eve.

The statement described the newspaper report as the "most serious political manipulation of public opinion by the media since parliamentary democracy was institutionalised in *Portgual in 1976." The state*ment implicitly criticised the irresponsibility of the pro-Government newspapers responsible and made the first direct critical reference to the Government since the November election.

According to the statement, Dr. Sa Carneiro had broken with the practice of previous Prime Ministers by refusing to pass on to the President the minutes of his Cabinet meetings. The President also hit back at accusations that he had been abusing his powers and denied that he had been interfering *in foreign policy decisions.*

The paradox of the Presidential statement is that while strenuously denying the newspaper reports it has nevertheless confirmed their underlying substance: that relations between the Government and the President have reached *their lowest point since* Dr. Sa Carneiro announced last November that he would not support Gen. Eanes in the 1981 Presidential elections.

As head of state and chairman of the Council of the Revolution, President Eanes is empowered to block Government legis*lation: he can also dismiss* Dr. Sa Carneiro and dissolve Parliament. It seems likely that Portuguese politics will become increasingly stormy between now and next October's general election; before then the political parties must take a position on the Presidential election, and *President Eanes must decide* whether he wishes to stand.

President Eanes

Doubts about Soviet gas field

BY OUR MOSCOW CORRESPONDENT

THE RUSSIANS are voicing fears that their huge new gas field at Urengoy in west Siberia, which is supposed to provide their entire increase in output this year, will not be up to the job.

A spate of critical articles, including one by Mr. Sabit Orudzhev, the Gas Industry Minister, complains of deficiencies in drilling and pipeline building and a lack of electric power. They say there are not enough roads and that housing *shortages are causing labour* turnover rates of up to 100 per cent a year.

The Urengoy field contains reserves estimated at six trillion cubic metres of gas, but has barely been tapped. Last year's output was about 25bn cubic metres, 6 per cent of the Soviet *total—and it is due to reach* 58bn cubic metres this year.

Development of the field is of more than local interest. West Siberia, led by Urengoy, will play the major role in supplying exports to Western Europe from now on. It is expected to be the key source in the West Germans' recently announced scheme to double their Soviet gas imports through a new pipeline by the late 1980s.

Urengoy's chief problem is too little new drilling. Only two-thirds of the planned depth of hole was completed last year, so that only 37 wells out of 57 scheduled went into production. This year, workers are supposed to drill nearly four times as much hole and complete 112 wells and Mr. Orudzhev says the work must be completely reorganised if the goal is to be met.

The Minister also criticises pipeline builders for slow work. He says pipelines are poorly designed, without enough corrosion protection, and that repairs are far to slow. The Urengoy field is also badly under-supplied with electricity, according to the Soviet Press. A 500-kilovolt power line from Surgut will not be finished this year, forcing gasmen to continue to rely on 20 small diesel generators.

One key factor behind Urengoy's troubles is clearly the labour problem. The Russians say that after initial successes, workers' enthusiasm has declined. About 14,000 of the 18,000 people in Novourengoy, the town at the gas field, live in railway carriages or dormitories and there is a pitiful lack of schools, hospitals and social facilities. Every third worker who arrives in Urengoy leaves within six months.

Carrington leaves for Malaysia

By David Housego

LORD CARRINGTON *unexpectedly left London* yesterday to attend a gathering in Kuala Lumpur of foreign ministers from the EEC and the five member Association of South East Asian Nations (ASEAN).

The formal purpose of the meeting is the singing of an EEC-ASEAN economic co-operation agreement. But the occasion is also being used as an opportunity for EEC ministers to demonstrate political support of the ASEAN states in the wake of Vietnam's invasion of neighbouring Kampuchea. Vietnam continues to have heavy Russian support.

The ASEAN goal of a neutral Kampuchea closely reflects the EEC's *proposals* for the withdrawal of Russian troops from Afghanistan as a prelude to declaring the country neutral. Herr Hans Dietrich Genscher, the West German Foreign Minister, said on arrival in Kuala Lumpur yesterday that the EEC would seek ASEAN *support for the* EEC proposals for a neutral and non-aligned Afghanistan. He said Afghanistan would feature prominently in the ministerial discussion.

Lord Carrington had earlier cancelled his plans to attend the conference because of the *Rhodesian election but* reverted to his programme after the clear cut victory of Mr. Robert Mugabe's Patriotic Front. All the foreign ministers from the two regional groupings are expected to attend except France, Belgium and Thailand.

EEC *nations, and particu*larly Germany, have been sharply increasing their trade with South East Asia, which is seen as one of the fastest growing regions in the developing world.

Lord Carrington will use the occasion to review with ASEAN *ministers how likely* Vietnam is to stick to its pledge to slow down the exodus of refugees. The meeting also comes shortly before the UN conference to consider new aid for Kampuchea. UN agencies are asking for about $260m for the nine *months from March after* raising $210m in November.

EEC tries to reopen Euro-Arab dialogue

BY JOHN WYLES IN BRUSSELS

CONTACTS in Rome today *between the European Com*mission and the Arab League could help determine the uncertain future of the so-called Euro-Arab dialogue which has been silenced for nearly a year by the Camp David agreements.

Egypt's subsequent suspension from the League and the EEC's *refusal to exclude the Cairo* Government from any of the slender fruits of the dialogue have been the immediate cause of the impasse over the past year.

However, both sides have long questioned the dialogue's importance because the Nine *have consistently refused to* allow it to embrace the Palestinian problem, and the 21 members of the League have embargoed discussion on oil pricing and supply.

As a result, the dialogue has maintained a fragile existence for over five years on the mutually shared hope that the Europeans and the Arabs might someday develop a special relationship.

In one sense today's meeting indicates that this goal is further away than ever. The first contacts in December and again last month, since the suspension of the dialogue last April were at a senior political level. Today, however, the participants are "experts" from the two sides *who will discuss the possibilities* of reviving various technical discussions.

In the past a general committee of ambassador representatives was set up but it has not met since December 1978.

The absence of a political dimension has denied the dialogue considerable relevance for both sides. In his December and February overtures, M. Charles Klibi, the League's secretary general, sounded out the EEC's readiness to talk politics but drew the response *that the Community would not* stray from technical and commercial matters.

As a result it appears almost certain that the dialogue will not be the main forum for the EEC's broader initiatives. At the moment, the EEC is considering making direct over*tures to the Gulf oil producers,* which unlike some other members of the League, have no formal co-operative or trading agreements with the Community.

West Germany and other members of the Nine believe that a co-operation agreement *with the Gulf states would not* only edge them closer to the West in the post Afghanistan world but would also open the door to discussions on oil pricing and supply.

Arab-Israeli conflict, this week has seen President Giscard d'Estaing of France subscribing to a joint *communique with* Kuwait calling for the "self-determination" of the Palestinian people. This is the most explicit statement yet of the Community's position outlined at the UN last September that the Palestinians are entitled "to exercise their right to determine their own future as a people."

Sharp growth at Bancaire

PARIS—Cie Bancaire, parent company of a group of French lending institutions, reports net income for 1979 of FFr 129.9m, an increase of 84 per cent on *the 1978 result of FFr 78.6m.* The company intends to pay an unchanged net dividend of FFr 10 per share on a share *capital increased by one-third* in 1979 through a scrip issue.

Cie Bancaire said that it had a net operating profit last year of FFr 91.5m, an increase of 15 per cent. Consolidated accounts will not be made public until March 21. They "should show" a net profit slightly higher than the FFr 296m posted for 1978.
—AP-DJ

Fewer jobless in West Germany

BY JONATHAN CARR IN BONN

THE NUMBER of unemployed in West Germany fell last month to the lowest February total for *six years, while job vacancies* increased.

The Federal Labour Office reported that there were 992,500 *people without a job last month* —4.2 per cent fewer than in January and 12.5 per cent less than in February, 1979. Last *month's figure represents* 4.3 per cent of the labour force, compared with a jobless rate of 5 per cent a year earlier.

Vacancies rose by almost 11 per cent against January, and by more than 17 per cent against February last year, to 312,600. But the number of those on short time working also rose slightly against January, to nearly 102,000.

While these figures look encouraging and reflect a still buoyant economy, the Labour Office cautions that the unusually mild winter weather is at *least partly responsible.*

The building sector in particular warned that although order books are still fairly well filled, it fears a downturn in the second half of this year—meaning a business setback for all those industries which supply it.

Disruption threat in Finland

By Lance Keyworth in Helsinki

Widespread industrial disruption is threatened in Finland following the break-down in most union award negotiations. The annual labour contracts expired on February 29 and none of the unions has signed *a new agreement.*

The metal workers union, traditionally the pacesetter in wage demands, has already rejected a 7 per cent offer in spite of a personal appeal from Mr. Mauno Koivisto, the Prime Minister, and the seamen's union is threatening strike action if its demands are not met by March 14.

Second wine scandal emerges in France

BY GILES MERRITT IN PARIS

THE REPUTATION of France's prestigious wine trade is now being threatened by its second major scandal in five years. In the wake of the famous "wine gate" fraud that tarnished the good name of Bordeaux in 1975, *it is now being disclosed here* that 500,000 bottles of cheap French red wine have been sent to the U.S. as quality vintages.

The Bordeaux scandal involved 2m bottles of phoney claret and ended in a welter of prison sentences, heavy fines and bitter recriminations. The latest wine fraud, which revolved partly around false labels being put on bottles in the UK before shipment to the U.S., promises equal trouble.

The fraud is still under investigation and officials from the U.S., France, Britain and Holland are *scheduled to meet* in Haarlem next week, to compare notes on the case. But it is now clear that 100,000 bottles of the suspect wine are being held by U.S. customs in New York, while a further 400,000 bottles of the rough red table wine the French disparaginly call "bibine" or "pinard" have already gone on sale

French employers warn on bankruptcies

BY GILES MERRITT IN PARIS

THE FRENCH Government has been warned by the country's powerful employers' organisation, the Patronat, that immediate steps must be taken to halt the level of closures and bankruptcies in commerce and industry.

In a report that has been submitted to the Government, the employers' organisation emphasises that 1979 saw *industrial closures reach record* levels. The report also makes it plain that public sector and administration financing policies are partly to blame, along with tax procedures. It urges reforms *that would ease this pressure* on small and medium-sized businesses.

Last year, 15,900 companies in France went into liquidation, as against *12,000 in 1974.* The level of business bankruptcies is often regarded as a bell-wether of economic conditions, and the last time that closures reached crisis point was in 1975, when 15,000 companies went out of business.

The CNPF Patronat survey points out that the latest spate of closures has particularly hit building and construction, retailing and service sectors such as restaurants and hotels. It also warns that industry in *provincial France has begun to* show its vulnerability and cites the closure of l'Horlogerie de Savoie, a major French watch-making business in eastern France, an aviation concern in *Tournus and the Eaton-Mariel* metalworking joint venture in Lorraine.

The survey makes the point strongly that jobs involved in potential bankruptcies are more easily safeguarded by sympathetic Government action than they are replaced by employ*ment creation programmes.* It urges the French Government to look hard at the financial and fiscal flexibility it could in future offer to smaller businesses.

AFTER AFGHANISTAN, TENSION IN THE BALKANS

Greece fears for the post-Tito era in Yugoslavia

BY N. J. MICHAELSON IN ATHENS

GREECE IS keeping a watchful eye on Belgrade, fearing the Soviet Union may attempt to drag a post-Tito Yugoslavia back into its orbit.

Mr. George Rallis, the Greek Foreign Minister, has said Greece wants no intervention in Yugoslavia's internal affairs after President Tito leaves the political scene. He said the Greek Government is anxious that the Balkans do not become a stage for superpower confrontation.

Greece's disputes with neighbouring Turkey over Cyprus and territorial rights in the *Aegean sea would put it in a* precarious position should the Soviet Union attempt to obtain an outlet to the Mediterranean through Yugoslavia.

With most of Greece's armed forces deployed to face Turkey, it is more vulnerable from the north, especially as it is no longer protected by the North Atlantic Treaty Organisation's integrated military structure. But Greece has sought to improve relations with the Soviet Union and, through an opening to the Balkans, with its Communist northern neighbours.

However, despite pledges received by Mr. Constantine Karamanlis, the Greek Prime *Minister, during his visit to* Moscow last October, Russia has informed Greece it will not, after all, be supplying the 2m tons of crude oil it promised this year.

Mr. Miltiades Evert, the Industry and Energy Minister, said this week the Russians would supply only up to 1.15m tons of oil. They were claiming that lower production was forcing them to curtail exports. About 450,000 tons of the oil would be Libyan, which will apparently cost Greece more than originally agreed

The cutback in Soviet oil supplies will not affect Greece drastically this year. Mr. Evert said the 9.5m tons required have already been guaranteed through agreements with Saudi Arabia, Iraq and Libya. But it could lead to hardship in *coming years, especially if* the plan to bring natural gas from the Soviet Union, as a substitute for oil, falls through.

*The plan is to build a pipe*line north to Bulgaria which would tie Greece into the network connecting the Orenburg natural gasfields in the South Urals with Comecon countries. The loss of Iranian natural gas may cause the Soviet Union to reconsider this proposal

The oil supply agreement is understood to have been linked to the agreement signed last September under which Soviet ships, including unarmed auxiliary vessels of the Russian Mediterranean fleet, are repaired and maintained at a State-controlled shipyard in the Aegean Island of Syros.

The agreement was seen by some here as a NATO country granting disguised home port facilities to the Soviet fleet. But the agreement requires prior approval for each vessel, and Greece may now hesitate over future repairs.

In Parliament last week, Mr. Rallis reiterated Greece's right to extend the present six-mile limit of its territorial waters to 12 miles.

Such a move would in essence be directed against Turkey *and* the Soviet Union, which has access to the Mediterranean through the Dardanelles

Should Greece introduce *the* 12-mile limit it would in essence control passage of vessels into the Aegean. Turkey has said it *would consider this a casus belli.*

Diplomats in Athens are of the opinion that in the short term, the Soviet Union appears *more interested in the Gulf* area than in the Balkans. Since the Soviet invasion of Afghanistan, any aggression in Yugoslavia would draw international condemnation

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

Buoyancy on Salisbury Stock Exchange

By Tony Hawkins in Salisbury

SHARE PRICES on the Rhodesian Stock Exchange yesterday bounced back in enthusiastic reaction to Mr. Robert Mugabe's moderate stance in his first broadcast as Prime Minister.

At the close of business yesterday share prices were higher than their pre-election result close on Monday with the industrials index finishing the day at 361.5 points as against 356.4 points on Monday and only 10 points (less than 3 per cent) down on Friday's close last week.

The mining share index reacted even more impressively, jumping 21 points to 259.3, also marginally down on their close for last Friday.

Dealers attributed the improvement to renewed buying as the market reacted favourably to Mr. Mugabe's initial broadcast and to the general reaction, both international and domestic, to the elections.

Certainly the business mood in Salisbury was far more chirpy yesterday than on Tuesday morning when Mr. Mugabe's crushing electoral victory was announced. The new Prime Minister's explicit rejection of nationalisation as an economic policy option and his pledge to form a coalition bringing in Mr. Joshua Nkomo and at least one white representative, has been welcomed by the business community.

Businessmen are also pointing out two other advantages of the changed situation. They say the war really will end now and this will improve the skilled manpower situation as the military call-up is wound down.

They also believe the fact that Mr. Mugabe won a convincing victory promises far greater political and economic stability than would have been the case with a weak coalition.

Rhodesia-S. Africa links 'depend on debt payments'

BY QUENTIN PEEL IN CAPE TOWN

RELATIONS BETWEEN South Africa and Rhodesia will depend on whether the new Rhodesian Government honours its debts to Pretoria, South African officials said yesterday.

Recognition or renegotiation of existing trade and economic links is considered the first priority by the South African Government, before diplomatic recognition. Ties include the existing and out-dated trade agreement, a labour agreement covering migrant workers in South African mines and factories, transport links, and export and financial credits.

All figures for debt and trade between the two countries are treated as classified information by South Africa. But the trade is admitted to be "substantial," as is the outstanding credit, both to finance and trade and, in recent years, to finance a growing Rhodesian Budget deficit caused by soaring defence spending.

Total South African trade with African countries, including Rhodesia, last year was just over R1bn (£55.3m), of which Rhodesian trade is estimated at between 60 and 70 per cent. This would put South African exports to Rhodesia at almost R450m and imports from Rhodesia at about R150m.

South African investment in Rhodesia is also estimated at about R1bn. Officials in Salisbury have been concerned at the rapid increase in foreign debt incurred by the Government since March 1978, on the expectation of sanctions being lifted. Previously, foreign debt was relatively insignificant.

What proportion of the debt is purely commercial, and what is in the form of inter-governmental loans, is not known. Nor is it clear what the attitude of Mr. Robert Mugabe will be to the outstanding debt.

But Mr. Joshua Nkomo, leader of the ZAPU wing of the Patriotic Front, has threatened not to repay any debt incurred by the former Government to fight the war.

South African officials insist that all existing agreements will continue to be honoured until the Rhodesian Government decides to the contrary. The trade agreement, which dates back to 1964, when trade between the two countries was much less significant, is one which needs urgent revision.

Transport and labour links are unlikely to be immediately contentious.

The most sensitive area is clearly that of inter-government debt. "Our attitude to Rhodesia must be conditional on their attitude to these loans," one official said yesterday.

U.S. aid offer trimmed to $27m

BY DAVID BUCHAN IN WASHINGTON

THE CARTER Administration has offered its congratulations to Mr. Robert Mugabe on his sweeping victory in the Rhodesian elections and is heartened by his promise to include some whites in his Cabinet. Washington now hopes that the new leader will adopt a gradualist approach to economic changes.

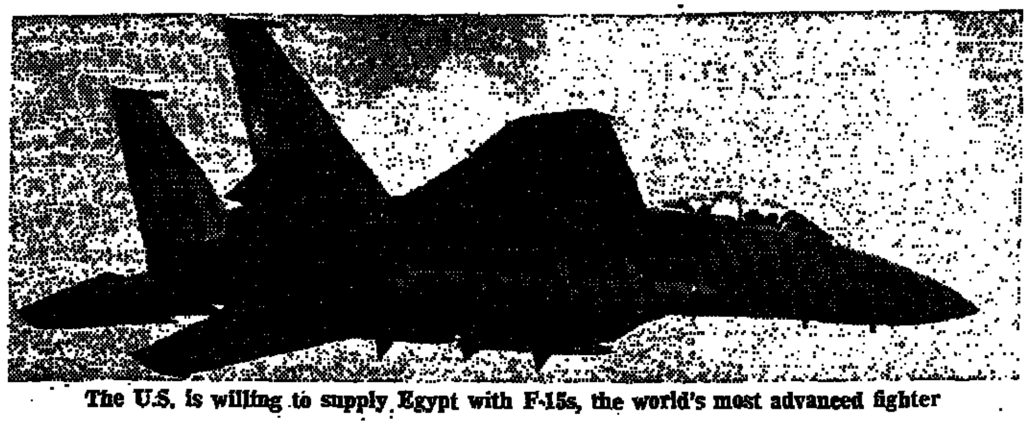
But the economic aid which the Administration is prepared to give—$27m in 1980-1981—would be shared with neighbouring countries like Zambia and Mozambique which have also been hit hard by the long civil war, and is relatively modest, compared to the $1bn that was considered a couple of years ago under the abortive Anglo-American plan.

Before the British Government launched its successful initiative to end the war, the Carter Administration was intimately involved in searching for a settlement and was ready to back this with large amounts of money, if necessary, to help buy out white farmers who wanted to leave Rhodesia. U.S. officials no longer see this as either necessary, if Mr. Mugabe's assurances to the white community hold good, or as something which would win congressional approval.

The U.S. has in recent months told Rhodesian leaders that it has drastically scaled down its aid commitment to an independent Zimbabwe, though officials say this has not always been understood fully in Salisbury.

The Administration line is that it now makes sense to spread U.S. aid around the southern African region, because in the long-term, Rhodesia should emerge as one of the strongest economies in the area. Some of its neighbours have been severely hit by the war and are essentially shakier.

A modest aid programme would also be easier to push through Congress this year, where members are concentrating now on budget stringency and where many conservatives are deeply suspicious of Mr. Mugabe.



The U.S. is willing to supply Egypt with F-15s, the world's most advanced fighter

U.S. grooms Egypt as its Middle East policeman

BY ROGER MATTHEWS IN CAIRO

EGYPT IS poised to become by far the largest American-equipped military force in the Arab world, taking on more than a hint of the role formerly assigned to the deposed Shah of Iran.

The U.S. with its latest arms deal has clearly signalled that it intends to take responsibility for re-equipping virtually the entire Egyptian armed forces at a probable cost during the rest of this decade of $8bn to $10bn.

Apart from this, the U.S. will maintain a semi-permanent military presence in Egypt, with at least one base which will always be ready to receive sophisticated control and communications aircraft. Senior Egyptian officers also expect the U.S. to take a progressively bigger part in running and financing Egypt's military industries which, with their work-force of around 16,000, have been of growing concern since the Arab world cut off aid.

Israel, Saudi Arabia and perhaps some oher countries in the region have some reason to feel piqued by the sudden quantitative and qualitative upgrading of the military relationship between Egypt and the U.S. America's initial response to the massive shopping list Egypt lodged last spring, when the peace treaty was signed, came to a relatively modest $1.5bn.

While the Soviet invasion of Afghanistan has helped those Egyptian officers who insisted the peace treaty package was only the beginning, they are now well justified in rounding on the sceptics. Just how significant the second package is can be gauged from the howls of protest coming from Israel.

Egypt is to receive 40 F-16 aircraft, costing about $18m apiece, 250 of the main American battle tank, the M-60, more armoured personnel carriers, and is to assemble fixed-wing aircraft and helicopters, while having the performance of some of its Soviet equipment uprated. Even more important, and providing the strongest clue to America's long-term commitment to Eyptian military planning, the U.S. has agreed in principle to supply the F-15, the world's most advanced fighter.

Given this U.S. commitment, Egypt is now confident that by 1984-85 it will be about to take delivery of a second batch of 40 to 50 F-16 aircraft, the F-15s (at $25m each) will be nearly ready to take the place of the then-ageing Phantoms, 250 to 300 more M-60 tanks will be on the way, their Soviet-built T-62 tanks will have been mostly re-gunned and provided with advanced fire control systems, the navy will be receiving new ships, and the military industries will be assembling up to 100 Northrop F-5 fighters, 30 or 40 Bell 214 helicopters and a whole range of ancillary equipment.

The political implications of all this are several. First, the U.S. has decided that a stable Egypt is the main Arab, and indeed Middle East, bastion against Soviet encroachment, Israel notwithstanding. Second, the Americans are giving dual support to ensure President Anwar Sadat's political longevity — £1.1bn a year in civil aid, and at least $1bn a year more to ensure military loyalty. Third, the role and influence of Mr. Hosni Mubarak, the Vice-President, are being enhanced. He is personally dealing with the whole re-equipment programme. Fourth, Egypt will soon be in a position to start giving some older equipment to other like-minded countries.

What it does not mean for the mass of impoverished Egyptians is that resources will be diverted from guns and aircraft to food and housing as the corollary of peace.

General denies role in Korea plot

GENERAL Chung Seung Hwa, a former South Korean army chief of staff, denied that he had any involvement in the assassination of President Park Chung Hee last October when his trial by court martial opened yesterday, Ronald Richardson reports from Seoul.

Gen. Chung said the first indication he had that Kim Jae Kyu, former head of the Korean Central Intelligence Agency, was the killer came many hours after the event when the President's former chief secretary told him. Chung then ordered the KCIA chief's arrest. The indictment alleges that Chung realised Kim had killed the President but decided to help him.

Libyan oil cutback

Libya is considering a decrease in its oil production from the current 2.1m barrels a day, but does not want to use oil to destabilise the West, Reuter reports from Tripoli. Mr. A. B. Dulsalam Zagaar, the Oil Minister, explaining this yesterday, said that future production would depend on technical studies now under way. "Our reserves have been over-produced for the past five or or eight years and a decrease in production is under study."

Saudi call-up plan

Saudi Arabia's Defence Minister, Prince Sultan ibn Abdulaziz said yesterday the Cabinet was considering introducing conscription, Reuter reports from Bahrain. Quoting the official Saudi news agency, it said the Minister was addressing a graduation ceremony at the King Abdulaziz military academy in Riyadh.

SINGAPORE SLASHES INCOME TAX

Mr. Goh's 'go-getter' budget

BY KATHRYN DAVIES IN SINGAPORE

SINGAPORE'S Minister for Trade and Industry, Mr. Goh Chok Tong, has announced income tax cuts of between 6.8 and 19.9 per cent, with an average reduction of 16.1 per cent, in what he described as a "go-getter" Budget.

Greatest benefits will be felt at the lower end of the tax scale where people at present paying 4 per cent (the lowest rate) will now only pay 1 per cent in direct taxation.

Estimated loss in revenue will be S$45.5m (£9.27m) out of a total S$476m (£97m).

The Government aimed to reduce personal income tax progressively over the next few years, until the maximum level was 40 per cent, against the present 55 per cent, Mr. Goh told Parliament. This would bring it into line with company tax.

Figures released by the Government this week show that Singapore's economic performances last year outstripped that of most other Asian countries, including Taiwan and South Korea.

Singapore recorded a growth rate in real GDP of 9.3 per cent, against 8.6 per cent in 1978—second only to Hong Kong, which recorded a growth rate of 12 per cent.

Mr. Goh also announced tax concessions for companies engaged in research and development.

Concessions include accelerated depreciation on all plant and machinery used for research and development, and an investment allowance of up to 50 per cent. Stamp duty on mortgages and debentures, share transfer deals and insurance policies are to be reduced and nationalised.

Singapore is determined to liberalise its remaining restrictions on free trade. "We shall remove all protective duties except those under ASEAN preferential agreements," Mr. Goh added.

Last year, Singapore's annual inflation rate was running at 4 per cent against 11 per cent in Hong Kong.

Manufacturing replaced transport and communications as the prime mover in the economy, contributing 31 per cent to overall GDP growth—despite a decline in output by the textile, garment and wood industries.

The manufacturing sector's performance reflected the Government's hopes that industry would move from labour-intensive low-value-added activities to more sophisticated products.

Manufacturing growth was led by the engineering and precision equipment industry, whose output rose 32 per cent to S$1.4bn. The electrical and electronics industries increased output by 31 per cent, and stepped up production of higher value-added items such as computer peripherals and electronic medical instruments.

Foreign investors have apparently not been deterred by the higher-wages policy introduced in June last year. New investment grew by 15 per cent over 1978, to S$943m, mainly from the U.S., Europe and Japan.

Singapore's balance of payments remained in surplus, although at slightly less than the 1978 figure.

But the current account deficit increased from S$1.7bn in 1978 to S$2.6bn, largely because of a bigger trade deficit of S$6.6bn, against S$5.8bn the previous year.

Carter, Schmidt discuss response on Afghanistan

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT Jimmy Carter and Chancellor Helmut Schmidt of West Germany, met yesterday at the White House, in a move to patch up their differences on how the West should respond to the Soviet invasion of Afghanistan.

Herr Schmidt has made no secret of his fears that the steps which the Carter Administration has requested of its European allies could jeopardise political and economic benefits that his country has derived from its Ostpolitik policy of detente with the Communist bloc..

For the Administration, Mr. Cyrus Vance, the Secretary of State, has cautioned U.S. allies that failure to stand up to the Russians would be "short-sighted and dangerous."

Officials on both sides claim there is, however, a good measure of agreement on the basic steps to be taken to exact a price from Moscow for its Afghan adventure. Both Mr. Carter and the Chancellor have their own political reasons for wanting a public show of reconciliation — the President wants to show American voters that his policies are winning important European backing, and Chancellor Schmdit wishes to show his own electorate that ties with America remain sound.

Herr Franz Josef Strauss, who will be Chancellor Schmidt's opponent in the German Federal Election later this year, is to visit Mr. Carter in Washington later this week.

For its part, the Administration and particularly Mr. Vance who has visited Europe regularly this year, have shown themselves sensitive to European fears, and have recognised that detente cannot remain totally in abeyance during the Soviet occupation of Afghanistan, which is now expected to be prolonged.

The Bonn Government is ready to meet the NATO target of a 3 per cent real increase in defence spending—a goal which West Germany had earlier appeared to be ready to let pass due to budgetary constraints. This is welcome news to the U.S. administration—as had been the West German commitment to help fund more aid to Turkey and Pakistan, part of the Bonn Government's new concept of a "division of labour" within the alliance.

The U.S. side is expected to press for some West German logistic support, should the need arise to dispatch American forces from or through Europe to the Gulf region in an emergency.

Less clear are the respective positions of the two on economic steps to be taken against the Soviet Union. The U.S. wants the West to take a more restrictive approach to high-technology sales to the Soviets, and is pushing for this through Cocom the Western committee which overseas exports to Communist countries. But Herr Schmidt is reported ready to agree to this only if all allies co-operate.

Mr. John Anderson

Republican surprise in New England primaries

By Jurek Martin, U.S. Editor in

MR. JOHN ANDERSON, the liberal Republican from Illinois, regarded by many as the most truthful, original, forthright and, quite possibly, intelligent presidential candidate of 1980, has now acquired political force as well with his unexpected second place in the Massachusetts Republican primary.

But the state has never been a national political bellwether. Thus its primary, together with that of Vermont's, has issued any number of fascinating yet confusing signals.

Mr. Anderson's achievement is quite astonishing. He did not win either primary, falling a few hundred votes short of Mr. George Bush in Massachusetts with 31 per cent of the vote each, with Mr. Ronald Reagan a very close third with 29 per cent and Senator Howard Baker with 5 per cent. In Vermont he won 30 per cent, Mr. Reagan 31 per cent, Mr. Bush 23 per cent and Senator Baker 13 per cent.

Less than 18 months ago Mr. Anderson was a man fighting for survival in his Illinois seat against a right-wing onslaught.

His appeal is not confined to the moderate-liberal wing of the Republican Party but extends to the independent-minded voting public who are by no means enamoured of the main choices offered by the two parties.

A fiscal, if non-doctrinaire, conservative and social progressive, the twin pillars of his campaign are outspokenness (on such controversial issues as gun control, abortion and the Soviet grain embargo, all of which he favours) and a public contempt for popular political dogma.

While all the other Republican candidates, for example, promise that there is no incompatibility in increasing defence spending, cutting taxes and balancing the budget, Mr. Anderson argues the only way it can be done is "with mirrors" and that his opponents are deluding both themselves and the public in promising otherwise.

Both Mr. Reagan and Mr. Bush were yesterday dismissing his performance as being that of a regional candidate—and there is truth in their comments. Until yesterday, Mr. Anderson had no plans to contest any of the four Southern primaries over the next week—though he may now put in an appearance in Florida — and was only minimally represented elsewhere in the country.

But now Mr. Anderson has legitimate reason to believe that he can make his presence felt in Illinois on March 18 and Wisconsin two weeks later, where rules permit so-called cross-over voting — in which Democrats may vote in the Republican primary and vice-versa and independents in either—and where the liberal tradition is strong.

Of his principal rivals, Mr. Reagan probably lost least in Massachusetts and Vermont, never his heartland. The South beckons: This Saturday's showdown with Mr. John Connally in South Carolina, with Mr. Bush and Senator Baker still in the field, will prove instructive. But it is increasingly, Illinois on which the crucial battle will be fought.

For all his optimism yesterday, Mr. Bush has real cause for concern. He has been lucky in the sense that interpretation of the Massachusetts and Vermont results is properly centreing on Mr. Anderson's rise rather than on his relatively poor showing on his home turf. He will be largely free of the Anderson factor in the South.

On the democratic side, the most important thing about Massachusetts was what did not happen. Senator Kennedy reigns supreme in his native kingdom with 65 per cent of the vote to President Carter's 29 per cent. Had the crown trembled, abdication from the race might have been imminent.

President Carter won Vermont easily (74 per cent to Senator Kennedy's 26 per cent) as well as picking up a third of Massachusetts' delegates. He thus won New England by three-to-one, which is better than he could have imagined a few months ago.

Senator Kennedy, however, girding up for a big effort in Illinois and New York, has at least some cause to hope that his arguments on the economy and foreign policy are beginning to be heard.

Record 27% of U.S. car market for imports

By Ian Hargreaves in New York

CAR IMPORTS into the U.S. surged to a monthly record in February, taking 27 per cent of the market. But the leading importer says that stocks are so depleted that the momentum cannot be maintained.

Toyota, perhaps mainly with an eye on the growing political furore over the level of Japanese car imports into the U.S., coupled its release of sales figures with the information that its car stocks were down to a crisis level of a 20-days supply.

That ocmpares with an average 60-day supply in recent weeks at General Motors and supplies as high as 120-days at Chrysler.

Toyota also said its sales had been stimulated by customers rushing to beat a price increase set for the middle of this month.

Whatever the explanation, the importers broke new barriers last month. Total sales are estimated at 220,000 units which is 27 per cent higher than a year earlier.

The importers' market share rose above 27 per cent, as sales of Detroit's cars continued to slide. Ford's car sales were off by 31 per cent, Chrysler's by 12 per cent and General Motors' by 7 per cent, in spite of a torrent of bargain offers from the U.S. manufacturers.

Together, three Japanese companies—Toyota, Nissan and Honda—accounted for over half of the imports, although European importers also showed big increases.

It appears that total car sales last month were almost 7 per cent lower than a year earlier, suggesting that the improvement in sales in January was an aberration rather than the sign that the recession is about to end for the motor industry.

U.S. to spend $20bn to develop synthetic fuel

BY OUR NEW YORK STAFF

PRESIDENT JIMMY CARTER'S energy programme got another boost this week when the Senate and the Houe of Representatives agreed on plans for a new government corporation to develop synthetic fuels.

The corporation will have $20bn to spend over 12 years, with the aim of getting synthetic fuel production up to the equivalent of 2m barrels of oil a day by 1992. It will do this by financing production projects and agreeing to buy the output for use by the Government or the military.

In addition, the corporation will be able to call up another $68bn to finance later stages of synthetic fuel development.

The House and Senate also agreed on a broad definition of "synthetic fuels." Normally this terms covers the liquification or gasification of coal, and the mining of oil shale. But it will now include such things as synthesised coal-oil fuels, the extraction of hydrogen from water, and the production of heavy oil which is difficult to get out of the ground.

The Congressional plan is likely to have a mixed reception in the energy industry. Many people will welcome it as a serious effort to reduce U.S. dependence on oil and develop new resources. However, there is also a strong feeling that the programme will drive up energy costs by allowing for enormous sums to be spent developing a tiny energy supply. The 1992 target, such critics point out, is only one-tenth of the oil consumed in the U.S. today.

Sindona not kidnapped, prosecution claims

BY DAVID LASCELLES IN NEW YORK

THE PROSECUTOR in the trial of Sig. Michele Sindona here this week alleged that the Italian financier was not kidnapped last year as he claimed but went on a secret trip to Europe in disguise.

In a special hearing before the judge to determine the admissibility of evidence, Mr. John Kenney, the prosecutor, said he had airline documents and customs declarations which showed that Sig. Sindona slipped out of New York on August 2 under the name of Fred Bonamico. The normally clean-shaven Sig. Sindona was allegedly wearing a beard.

Mr. Kenney went on to claim that Sig. Sindona travelled to Austria, Italy and West Germany before returning to New York on October 13, two days before he reappeared in public with a bullet wound in his leg.

Sig. Sindona's version of events is that he was kidnapped and held by terrorists in New York, and that he obtained the bullet wound while trying to escape.

Mr. Marvin Frankel, Sig. Sindona's lawyer, said he was unable at this time to "unravel the mystery" of Sig. Sindona's disappearance. But he argued that the evidence surrounding it was irrelevant to the basic issue of the case, which is Sig. Sindona's alleged involvement in fraud which led to the collapse of the Franklin National Bank in 1974.

The judge ruled that the prosecution could enter evidence of Sig. Sindona's flight because the jury could conclude that it was the action of a person "conscious of his guilt."

MAYOR BYRNE AIMS FOR DOUBLE-A GLORY

Chicago's balancing act

BY MARALYN EDID IN CHICAGO

DURING LAST winter's campaign for the Democratic mayoral nomination in Chicago, Mrs. Jane Byrne shocked citizens, business leaders and city officials by declaring Chicago had a hidden budget deficit which could exceed $100m.

Financial experts and the then mayor, Mr. Michael Bilandic, scoffed at her charges, insisting that Chicago maintained surpluses in its corporate, or general operating, fund. They noted that Chicago's debt was well-received in the bond markets, that it enjoyed the reputation of being conservatively managed and fiscally sound, and had even won awards for the quality of its financial reports. Furthermore, the city boasted the coveted double-A rating from both major American credit rating agencies—a prize reserved for few other old, industrial cities.

But during the past 12 months, Chicagoans and fiscal analysts have been hit by the truth: this city of 3.3m is no paragon of financial virtue. True, it has never failed to redeem its debts—like Cleveland in 1978—or been denied access to the financial markets and forced to ask the federal Government to bail it out—like New York City in 1974-75.

Mrs. Byrne quickly produced evidence that her campaign claims were not far off the mark. She revealed that the city had run up a $62.2m deficit over several years in interdepartmental revolving funds, through which payment is demanded and received for services performed by some city departments for other local government agencies, such as snow clearance.

One reason why Mrs. Byrne defeated her predecessor, Mr. Bilandic, was the city's slowness in clearing the heavy snow falls of the 1978-79 winter. The bill came to more than $72m. Although the city expects to recoup some of this in federal government grants, the problem aggravated Chicago's cash flow difficulties in 1979. Delays in city property sales and a hiatus in the collection of certain business taxes because of a prolonged debate in the state legislature also helped to drive the city's operating deficit up to $21.2m last year, compared to surpluses of $8m in 1978 and $30m in 1977.

The revolving fund deficit rose to $81.4m in 1979. The administration had to adopt some devious means to ease its difficulties last year, such as using money intended to repay short-term debts for daily operating expenses. Such fiscal practices were the partial undoing of New York and Cleveland. Chicago also had to borrow $64m for working capital consortium of eight local banks, and in December paid city employees with a new $18m loan intended for buying equipment.

The deterioration in the city's financial position has prompted the rating agencies to lower its credit rating three times during the past five months. Standard and Poor's dropped the grade from AA to A+ in September and then again to A− in early February, while Moody's Investors Service several weeks ago downgraded Chicago to A from Aa. Because of the uncertainty surrounding Chicago's fiscal fortunes, it was recently removed from the Bond Buyer index, comprising 20 municipal issues which provide some indication of market trends.

Chicago is also pursuing a plan to consolidate its short-term bank borrowings and stretch the repayment schedule by issuing this spring $180 million in long-term bonds to the institutions which made the loans. It developed an austere 1980 budget of $1.4bn, just 1.3 per cent higher in nominal terms than in 1979, and including a provision to wipe out the $21.2m operating deficit this year. The budget also puts $15m towards a five-year programme to remove the revolving fund deficit. The administration also raised property taxes by $82m and increased fees for licences, car and property registration and water use.

British urged to attract Japanese

BY JOHN ELLIOTT IN TOKYO

THE UK GOVERNMENT has been urged to set up an Anglo-Japanese advisory committee to boost the investment in Britain by Japanese manufacturing companies which expect substantial increases in their foreign business over the next few years.

The recommendation is contained in a report ordered by the Department of Industry and is likely to be discussed with a delegation of Japanese industrialists who arrived in the UK yesterday for a 10-day tour.

The report is understood to say that, although Japanese companies want to increase their manufacturing investments in the U.S. and Europe, Britain is generally ranked low in their priorities.

Prepared by Technova, a Tokyo consultancy, the report says that large Japanese corporations are being forced by increasing trade problems over direct exports to set up manufacturing plants abroad.

A Technova survey of 474 enterprises showed that more than a third expected their foreign activities—including both exports and direct production abroad—to more than treble over the next five years.

Of the 68 electronic companies surveyed, nine said their business would grow fourfold and only three expected no change. Automobile and general machinery industries showed a similar pattern, and only labour intensive businesses forecast a low rate of growth.

The survey showed that most companies are more interested in the U.S. than in Europe, and the UK rated low compared with Continental countries.

Many companies said they were looking for European locations only after they had successfully established subsidiaries in the U.S. They placed special emphasis on factors related to wage levels, availability of labour, raw materials and parts, when choosing their locations. Labour relations was specially mentioned as a questionable area in the UK.

Technova is thought to suggest that the low rating given to the UK is partly due to ignorance and indifference on the part of Japanese companies. It adds that companies with experience in the UK rate the country's advantages more highly and are also more complimentary about its labour relations.

The UK Government should therefore consider setting up an advisory committee of influential non-government people from both countries, according to a draft of the report despatched from Tokyo to the Industry Department. The committee would oversee the UK's promotional activities and help with Japanese company contacts.

The Government—whose Invest in Britain bureau operates promotional activities in Japan —should also do more to explain its policies and to set out why the UK wants Japanese investment.

Iran visas difficult to secure

By Simon Henderson in Tehran

SOME BRITISH businessmen coming to Iran are once again facing difficulties being admitted to the country because of stricter interpretation of visa requirements.

Theoretically, there is a visa abolition agreement between the UK and Iran—a work permit has usually been reserved for long-term residences. But in the last week businessmen coming on short visits have twice been turned back at Mehrabad Airport in Tehran, where immigration officials have declined to give them three month "tourist" visas.

The officials represent the Immigration Service rather than the Airport Revolutionary Committee which also checks traveller's credentials.

Last Saturday three were stopped at immigration control after arrivinng on a British Airways flight from to enter after arguing their case with the assistance of a British Embassy official, while the third returned to London. Yesterday another British businessman, arriving from Karachi, was also refused admission.

Since the seizure of the U.S. Embassy, the Department of Trade, has suggested that British business travellers should not come to Iran unless there is an urget reason. With the recent lowering of tension a small number have been returning to sort out contracts and seek fresh business.

Record year for UK contractors

BY FRANK GRAY

BRITISH contractors in the project industry carried out a record £1.66bn in overseas work last year, £80m more than the previous year, the Overseas Projects Board (OPB) said in its annual report released today.

Exports of building materials, plant and machinery totalled £1.9bn for the 1978-79 fiscal year, an all-time high, and overseas earnings for consultant engineers, architects and surveyors were £400m.

But the value of new contracts obtained in the year fell to £1.3bn, which was £346m below the previous year's record.

Mr. H. W. A. Francis, who steps down this month after three years as OPB chairman, noted that this was the first such decline since 1971, and much of it could be attributed to weakness in the Middle East.

But he saw this only as a temporary setback, and said that the project industry could look forward to expansion overseas, particularly to the Far East and Latin America, with less dependency on the Middle East.

Mr. Francis stressed, however, that there were immediate problems for the industry revolving around inflation and national industrial disputes.

In order to compete UK companies increasingly were having to acquire less expensive goods from third countries rather than at home to support their projects.

This characteristic applied particularly to what he called the "bottom end" of the projects market—competition for straight building contracts. But Britain did have strong potential at the "top end" of the market.

Increasingly, clients overseas were now seeking programmes that included a range of support services, including design, construction, financing and training of personnel, and even equity interest by the company winning the contract for the project itself.

Britain's strength lay in its wealth of expertise within private and state-run enterprises, and it has been moving in recent years towards allowing nationalised industries to operate overseas.

The question of equity interest by contractors in clients' projects could pose new challenges in the years ahead. At the moment, contracting parties were not often in a position to undertake equity involvement.

An industry working party had concluded that there was greater scope for private and public sector co-ordination with the likelihood of a greater role in this form of financial participation by City banking interests.

Saudi Arabian market shrinks

BY CHARLES BATCHELOR IN AMSTERDAM

EUROPEAN CONTRACTORS had a disappointing year in Saudi Arabia in 1979 though prospects for the small private sector, at least, are now good.

While the "Saudi-isation" programme is making life more difficult for European concerns higher costs are reducing the competitiveness of South Korean companies. These conclusions are contained in a report prepared by Multiplan International, a Dutch-based international employment agency providing contract labour in the Middle East.

Many contractors are debating whether it is worthwhile remaining in Saudi Arabia in view of the long wait for contracts to be awarded. Companies are facing heavy interest charges on bid bonds provided for projects such as the Riyadh University scheme, the report comments while the third Saudi five-year development plan is likely to involve smaller projects than previously.

The private sector, accounting for 10 per cent of the Saudi construction market, has a healthy future, partly due to King Khaled's decision to pay compensation for expropriated property, the report adds.

Small private housing projects are expected to increase in number while there will be a shift away from infrastructure projects to factory and agricultural construction work. This process will be gradual, however, since half of the proposed $300bn spending budgeted for in the coming five-year plan will go to projects started under the current plan. Defence spending will also be maintained at high levels.

Sharp dip in Italian shoe output seen

By Rupert Cornwell

ITALY'S shoe manufacturers, at the centre of a simmering row with the U.S. authorities over cut price imports, are bracing themselves for a sharp drop in business this year, and the threat of widespread layoffs.

After a 16 per cent rise in production in 1979, and a record jump in exports, the Italian Shoe Manufacturers Association yesterday forecast a decline in output of 15 per cent in 1980. This would represent a loss of 70m pairs, worth around L700bn ($850m), as well as threat to 20,000 jobs in the sector.

The Association predicted a 23 per cent drop in orders from the U.S., one of 15 per cent from major West European markets, and a 10 per cent fall in home demand. The main reason, it said, was the sharp year-on-year rise in prices of between 30 and 35 per cent, and the comparative strength of the lira on international currency markets.

The grim tidings may, however, have the effect of further defusing hostilities with Washington—after Presidena Carter's decision earlier this week not to impose curbs on imports into the U.S.

The Association further warned of growing difficulties within Europe not only from more competitive U.S. producers, but also from other European canufacturers.

Last year exports by the Italian shoe sector rose 40 per cent over 1978 to reach L2,677bn ($3.26bn). Home demand rose 6 per cent, and total domestic production to 473m pairs from 408m in 1978.

Rome-Moscow to co-operate

ROME — Finsider and Finmeccanica, the Italian State holding companies, have signed a co-operation agreement with the Soviet Union to cover ventures in the steel and engineering sectors.

A Soviet delegation visiting Italy outlined to the two companies the fields in which industrial collaboration could be possible, including the major nuclear energy programme in the Soviet Union and Eastern European countries.

Reuter

Hopes of relaxing Nigeria import curbs

BY STEPHANIE GRAY

THE NIGERIAN civilian Government's first budget, to be presented on April 1, will be closely watched by the Nigerian-British Chamber of Commerce for signs of a further easing of restrictions on goods imported from Britain and better opportunities for UK exporters following an improvement in the country's economy.

The Chamber estimates that the increased oil prices Nigeria has achieved over the past few months have brought its foreign exchange reserves up to Naira 3bn (£2.4bn) compared with Naira 1bn 18 months ago.

Barring the unlikely event of an adverse reaction to the Rhodesia election result, Mr. Vivien Craddock-Williams, secretary of the Chamber's London chapter, said he expected "a great deal" from the budget, including an amendment to the controversial pre-shipment scheme introduced by the military government in 1979.

He also hopes Nigeria's import restrictions will be eased considerably and is confident that delays in the foreign payments pipeline will "increasingly abbreviate" over the next six to nine months.

To ensure that British exporters to Nigeria are kept abreast of events, the Chamber is sending Mr. John Rivett, of the business development department at Standard Chartered Bank, to Lagos to hear the budget presented by Professor Mathew Essang, the Finance Minister. He will convey his findings and impressions to a conference of interested businessmen in London on April 10.

Mr. Patrick Maddams, group economist for Ocean Trading and Transport, will address the conference on the background to the budget and give an interpretation of its details. The meeting is to be chaired by Mr. J. M. Ritchie, director of external affairs at British Caledonian Airways.

- The Export Credits Guarantee Department (ECGD) has reached an agreement with the Sudanese Government on the rescheduling of commercial credits it has backed to Sudan. The ECGD said the agreement, details of which were not disclosed, was initialled with the Sudanese Ministry of Finance and would be signed at a later date at Ambassadorial level.
- Kawasaki Heavy Industries has won a $181m order from Libya's Secretariat of Heavy Industries for a cement making plant to be completed at Zlitan, about 150 km east of Tripoli, by early 1983 Reuter reports from Tokyo.

Saudis still to decide on oil incentive

By John Close in Jeddah

SAUDI ARABIA has still to decide what "incentive" crude oil supplies are to be made available to foreign companies investing in big refining and petrochemical projects in the kingdom.

This is despite the signature of a long-awaited joint venture agreement by Saudi Arabia's State oil company, Petromin, and Mobil Saudi Arabia, a management services company entirely owned by Mobil Corporation. The agreement is for the funding and management of an export refinery at Yanbo industrial city on the Red Sea.

The 250,000 barrel a day refinery, which can be expanded to 500,000 b/d, has been under negotiation for six years and is said to cost $2bn.

Although agreement has now been reached, the size of the oil entitlement to be granted to Mobil has still to be fixed.

This will depend on the size of equity investment. The "incentive" crude entitlement for refinery ventures is half of that available for petrochemical projects, since refined products will be available to the foreign partner in the former case.

Sweden, Finland pulp price up

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

THE SWEDISH and Finnish pulp producers have raised their price by about 9 per cent for deliveries in the second quarter this year and Mr. Erik Sundblad, managing director of Stora Kopparberg, foresees even larger increases in some printing paper prices over the next few months.

The lead price, that for bleached sulphate pulp, will rise from $500 to $545 a tonne from April 1 with corresponding increases for other grades. Finncell, the sales organisation of the Finnish pulp mills, announced its increases late last month.

The bleached sulphate price has climbed by $110 a tonne over the past 12 months and by $215 or more since the market touched bottom in 1978. But, Mr. Sundblad said yesterday, the recent upward trend has "just barely restored the viability of the Nordic pulp industry."

The new lead price would make it possible for the mills to cover the interest and amortisation payments on borrowed capital and to meet renewal costs at the mills, but little would be left over to cover past losses. The mills had invested heavily in recent years and had high capital costs, Mr. Sundblad said.

The Nordic mills have less to fear from competition on the West European market by the North Americans, as leading Canadian mills have announced increases which bring them up to the Nordic price levels.

Mr. Sunblad acknowledged that West European customers for Nordic pulp have found it difficulty to cope with the frequent price advances. He hoped that cost inflation and foreign exchange rates would remain sufficiently stable so that the new prices "will have a chance to be in effect for some time."

But higher energy, raw material and labour costs would compel the Swedish mills to raise paper prices "somewhat more than the pulp prices," Mr. Sunblad said. Following the lead of the Common Market mills, the Nordic industry would push its export prices up, to establish "new and viable price levels for wood-free printing papers."

Demand for wood-free papers in Europe was strong and price advances were justified by the increased raw material costs. But Mr. Sunblad hoped, prices would reach stability again towards the late spring.

The Swedish mills shipped 3.6m tonnes of paper and board to Western Europe last year, of which 3.25m tonnes went to EEC countries. The EEC took 2.43m tonnes of Swedish pulp while 325,000 tonnes went to other West European countries.

UK NEWS

TWO POWER STATIONS POSTPONED

Delay hits nuclear reactor programme

BY DAVID FISHLOCK, SCIENCE EDITOR

CONSTRUCTION OF two nuclear power stations, authorised by the Labour Government more than two years ago and scheduled to start this spring, has been postponed by the electricity supply industry until August.

The decision has been agreed at board level by the Central Electricity Generating Board and the South of Scotland Electricity Board.

The two authorities said yesterday that preparatory work planned to take place before construction began — including preparing the safety case for the new stations — would not be finished in time for a spring start.

The stations are twin-reactor plants, each of 1,300 MW, destined for Heysham in Lancashire and Torness in Scotland. Site preparations in each case have *already begun.*

The generating boards stressed that the delays were not connected with poor electricity sales disclosed by the CEGB last week, but were due to failure to complete work in "some critical areas," including preparations for the manufacture of long lead-time components.

The CEGB said that there was no question of abandoning its new advanced gas-cooled reactors (AGRs) for the pressurised-water type. But it saw no merit in taking the risks of starting construction before preparatory plans were completed.

The delay was no criticism of the Nuclear Power Company, operating arm of the National Nuclear Corporation, which had been preparing the new design and safety case.

Both generating boards are pleased with the recent performance of their AGRs. The Hunterston reactor, which suffered a serious accident when sea water flooded part of it, returned to power last month, and had been raised to "well over 400 MW" during this commissioning period, Mr. Roy Berridge, SSEB chairman said.

Mr. Berridge said yesterday that the reorganisation of the National Nuclear Corporation had now become a matter of great urgency if the AGR programme was to go ahead.

Plutonium transport scheme approved

BY DAVID FISHLOCK, SCIENCE EDITOR

THE Government has approved plans for carrying plutonium from Dounreay in the north of Scotland to Windscale, to make fast reactor fuel.

Mr. Norman Lamont, Undersecretary for Energy announced his approval to Parliament yesterday. The first consignment of plutonium nitrate solution to be transported under the plans is expected to reach Windscale this summer, after a two-day journey by sea.

The Health and Safety Executive has concluded, in a report published yesterday, that the risks to the public of the scheme proposed by the UK Atomic Energy Authority are much lower than those of ordinary industrial operations or everyday life.

The plan is to carry plutonium nitrate solution by road from the new reprocessing plant at the Dounreay Nuclear Power Establishment to the nearby port of Scrabster, roll the vehicle on to a ship bound for Workington, and roll it off again for the short road journey to Windscale.

The plutonium will travel south in twin flasks, each containing 250 litres, and the UK AEA expects to make seven such journeys a year.

At Windscale, the solution *will be made into new fuel* assemblies for the prototype fast reactor at Dounreay.

The UK AEA is close to "closing the fuel cycle" for its fast reactor, for the first time anywhere, by demonstrating that spent fuel from the fast reactor can be refined and returned to the same reactor.

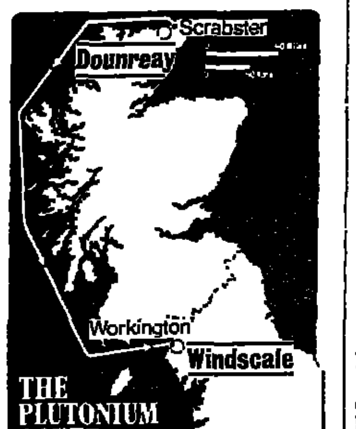
The alternative to transporting plutonium nitrate would be to build new fuel-making facilities at Dounreay, which would "take several years and considerable expenditure," the UK AEA said yesterday.

The Government's nuclear inspectors have assessed the chance of an accident severe enough to breach the container during road and sea transport, and in places where the public might be harmed, at no greater than one in a million in a year. The chance of someone inhaling plutonium from such an accident and thus being killed they put no higher than one in 100m.

The inspectors have examined the package in which the warm, green solution of plutonium nitrate will be carried. It is being designed and made to standards stipulated by the International Atomic Energy Agency, which, to quote the report, demands "not only a high degree of integrity under normal conditions of transport" but also "the ability to retain integrity under conditions of extreme adversity."

The Department of Transport has approved both the design of package and the manner of shipping.

The transport of plutonium in the form of nitrate solution between Dounreay and Windscale. Health and Safety Executive, 1 Chepstow Place, London W2 4TF. Price £1.



Warning for knitting industry

BY JAMES McDONALD

BRITAIN'S knitting industry has made slow progress, if any, towards the goal of a 20 per cent share of total EEC exports to 12 important West European markets.

In its 1980 progress report the industry's sector working party warns that exporting to the EEC will be more difficult for the British industry when Greece, Portugal and Spain enter the EEC.

The report, to the National Economic Development Council, says each of these countries has a competitive textile industry.

"The UK's share of 12 key designated West European markets — Austria, Belgium, Denmark, Finland, France, West Germany, Italy, Luxembourg, Netherlands, Norway, Sweden and Switzerland—is considerably less than that of its EEC competitors and the UK is rarely the major supplier."

The working party repeats its criticism of the industry's export effort. It says it still appears to be widely dispersed, with the UK having a "larger share of the smaller markets and a smaller share of the larger markets compared with our major European competitors."

In terms of value, the British share of this export market rose from 5 per cent in 1975 to 7.7 per cent by 1977 and to 7.9 per cent in 1978. But in volume terms "total exports of UK knitted goods in 1979 and 1978 have not repeated the improvement achieved in 1977. Evidence suggests that the decline which started in 1978 has continued in 1979."

The report says, if the export market share objective is to be achieved UK manufacturers, *particularly the larger companies,* will need to develop "coherent export policies and greater export professionalism."

The conflict between producing for the large volume domestic chain store market and the branded market with its shorter production runs and usually higher margins, needs to be resolved.

"Although striking the correct balance between the two types of business may provide companies with a more even flow of activity, it is likely that some firms will not be able to combine both successfully. This has relevance for both exporting and import substitution."

A larger proportion of the industry, particularly in the cut and sewn sector, needs to produce higher quality goods if full advantage is to be taken of the opportunity to sell in the higher income markets.

In this context, the inability of the industry to compete with low cost producers in sectors of the market where demand is highly price sensitive must be more widely recognised.

"A greater proportion of the industry needs to concentrate on the less price sensitive sectors."

Sales by UK manufacturers of hosiery and knitwear stood at £735.9m (at 1975 prices) in 1978 *against £750.8m in 1977.* Exports over the two years declined £12m to £164.3m. Imports rose £17.3m to £179.9m.

The report believed the growth in imports from developed countries can be contained. But this depends on the full implementation of the existing GATT Multi-Fibre Arrangement to "regulate the penetration of disruptive imports from developing countries."

The MFA is of "crucial importance" to the future of the outerwear and underwear sectors in particular, and certain parts of the hose sector, which together account for about 65 per cent of the industry's sales.

The report says many small companies face difficulties in raising the right type of finance. "Their chief requirements are for working capital, especially for financing the wide seasonal fluctuations and sharp increases in demand."

"Knitting Sector Working Party, Progress Report 1980," NEDO Books, 1, Steel House, 11, Tothill Street, London, SW1.

Local authority spending reaches £22bn

BY ROBIN PAULEY

LOCAL AUTHORITY spending amounted to £22bn—10 per cent of gross national product—in 1978-79, according to the Treasury's latest economic progress report.

About 25 per cent of this amount was met by ratepayers, nearly half by Government grants, including housing subsidies and rent rebates, and about a sixth by direct users of services paying fees, charges and rents.

In 1978-79, the major part of spending—£12.5bn net of income from fees and charges—was spent on goods and services.

The report shows that more *than half of net current* expenditure in England and Wales goes on education, followed by local environmental services — such as town and country planning, parks and swimming pools — police and courts, and personal social services. About 75 per cent of net current expenditure is accounted for by staff costs.

The proportion of capital *spending in relation* to total spending has fallen from 33 per cent in 1974-75 to 19 per cent in 1978-79, when capital spending was £3.2bn net of sales and mortgage repayments. Half of this was spent on housing, including the net capital cost of local authority mortgages.

Subsidies from Government towards the cost of operating the housing revenue account—*council houses*—in 1978-79 was £1.05bn net of the Government's contribution to rent rebates.

Local authorities meet the capital costs of building houses by raising loans on the open market, from the Public Works Loan Board or by internal borrowing. Other spending—for example, maintenance and management costs and loan repayments—is met from rents, supplemented when necessary to balance housing revenue accounts, and from the rates.

In 1978-79 local authorities borrowed about £1bn from outside the local authority sector to finance capital expenditure of which £218m was from central government. Another £400m came from Government grants.

The remaining £1.6bn came from internal sources, including internal borrowing from the rate fund and direct contributions from the rates.

JPs told of bugging devices in casino

FINANCIAL TIMES REPORTER

BUGGING devices were found in the Victoria Sporting Club casino when it was taken over by Playboy's Victoria Casino, *North Westminster licensing* magistrates were told yesterday.

Mr. Arthur Phillips, chief security officer for the new owners said he found a bugging machine in the office of Mr. *Cyril Levan, head of Norwich* Enterprises, from whom the club had been bought in a £6m deal.

Various telephones had been bugged and sound tapes were found in a safe in an office above a betting shop used by the previous chief security officer.

The monitoring screens of the casino TV cameras were in a block of flats opposite the club. They were watched by two men who were not members of the casino security staff.

They were apparently employed personally by the gaming manager, Mr. Joel Salkin, said Mr. Phillips.

He was giving evidence during the application by the Metropolitan Police and the Gaming Board for cancellation of the casino's licence because of the previous management's conduct.

The police allege that documents seized during a raid on the premises in December, 1978, revealed that at least £1.8m had been "skimmed off" the profits by the top management each year.

It was also alleged that gambling junkets were organised for foreigners flying in to play the tables in return for air fares and hotel bills; that gaming staff were paid overtime and bonuses tax free; and that punters were allowed to obtain credit using illegal markers.

Mr. John Bragoli, a Gaming Board inspector, told the magistrates that a check on the casino's records in 1978 had shown that parties of foreign gamblers had been illegally signed in as guests of casino employees.

In some cases guest cards were marked "dinner only," but records showed that the guests had deposited cheques for gaming chips.

Mr. Bragoli said the casino was now being run properly by the new owners, who are resisting the move to cancel the licence.

The hearing continues today.

Associated Paper reaps capital spending benefits

DURING THE year to September 29, 1979, Associated Paper Industries spent £2.7m on capital schemes and these have resulted in a considerable modernisation and expansion of capacity at several of the company's subsidiaries, says Mr. C. F. M. Rawlinson in his first report as chairman.

Although the Board is fully aware of the need continually to update and improve plant and equipment, the progress which has been made in recent years *should now mean that it will not* be necessary to maintain capital expenditure at quite such a high level in the immediate future, he adds.

As reported on January 18, 1980, pre-tax profits for the year were slightly higher at £1.95m against £1.9m. Turnover increased from £36.7m to £44.6m. Exports amounted to £4.88m (£3.5m). Net current assets were £6.15m (£5.89m). During the year the company paid £51,650 (nil) in redundancy payments.

The balance sheet shows an increase in net bank overdrafts of £80,883 against a reduction of £318,325.

Meeting, Great Eastern Hotel, EC, March 28, 12.30 p.m.

Lowry makes top price in modern art sale

SALEROOM

BY PAMELA JUDGE

MODERN BRITISH drawings, paintings and sculpture sold by Sotheby's in London yesterday made £266,650. The highest price was £15,500 for a Lowry called "A corner shop." "Vernet's" by Sickert went to J. MacLean for £14,000 and "Highmill Farm, Norfolk" by Edward Seago fetched £12,500.

Williams and Sons gave £10,800 for a reclining nude by Sir William Russell Flint—a record for any work by the artist. The Bruton Gallery, Somerset, paid £9,800 for a village wedding scene by Harold Knight. This was also an auction record.

A black chalk and watercolour with gouache by Henry Moore sold for £8,200.

Military and Naval campaign medals and gallantry awards sold in the same rooms realised £210,085.

Stanley Gibbons caused the most excitement of the day in giving £26,000 for a group of orders, medals and other insignia awarded to Field-Marshal Sir William Gomm (1784-1875). The price equalled the world record for a group of medals and the buy included the Peninsular Gold Cross and the Field-Marshal's baton.

Provenance, Texas, gave £16,000 for a Peninsular War *group of orders and medals won* by Lt. General Sir William Pringle. A South African Victoria Cross group of three medals awarded to Sgt. Major Alexander Young of the Cape Police made £13,000.

At Phillips Japanese and Chinese ceramics and works of art totalled £186,350 in a sale where prices were high and buyers mostly London dealers.

A pair of Miyao parcel-gilt bronze models of Samurai attracted the highest price at £13,000. Marchant paid £6,200 for a rectangular Kobako. A pair of Shibayama vases made £5,500 and another pair of Samurai £5,000.

Scientific instruments, clocks and watches at Christie's amounted to £161,480, a private Swiss collector gave £20,000 for a Grande Sonnerie striking carriage clock with one minute tourbillon escapement by Nicole Nielsen and Co. of London (circa 1900).

Harriet Wynter paid £6,000 for an early French polychromed wood compendium dial and nocturnal of 1556. Among the watches Kubick, Germany, was successful at £6,000 for a platinum Rolex oyster.

Russian and Greek icons sold by the same house fetched £87,546 with an anonymous buyer giving £6,000 for a 19th Century All Saints Greek icon.

Ancient gold, silver and bronze coins at Glendining and Company went for £77,540. A gold Octodrachm from the reign of Ptolemy III (246-222 BC) was bought by Graham for £3,700 and the Superior Stamp and Coin Company of California gave £2,050 for a gold Tetradrachm of similar date. Vecchi paid £1,300 for a Solidus of Constantius II (AD 337-361).

At Warwick and Warwick, Rugby, in a sale of stamps, a Falkland Islands cover 1d 1883-1902 red-brown horizontal pair and a bisect on cover fetched £1,900. The sale realised £171,000.

Watercolours and drawings sold by Donbams made £52,805. "Limehouse Reach" by Charles Dixon went for £1,800 and the grand-daughter of the artist bought a view of a country race meeting in New Zealand by Charles Barraud for £1,750.

Mine opponents rebuked for not filing evidence

THE MAIN group opposing mining the Vale of Belvoir—the Alliance—received an official rebuke for withholding written evidence on the eve of opening its case at the Stoke Rochford public inquiry.

The Alliance, a combination of parish councils, farmers and the Vale of Belvoir Protection Group, begins its case today—the 61st day of the inquiry into the NCB's application to mine 90 square miles of Leicestershire, Nottinghamshire and Lincolnshire.

Mr. Jeremy Burford, for the NCB complained yesterday that although the inspector had stipulated all groups participating in the inquiry should submit copies of evidence at least two weeks before their witnesses appeared, the Alliance had still not said when evidence for three key witnesses would be produced.

The inspector, Mr. Michael Mann, QC, said he shared the NCB's concern.

Mr. Jonathan Milner, for the Alliance, promised all three outstanding proofs of evidence tomorrow.

Severn barrage 'may be too dear'

By Martin Dickson, Energy Correspondent

CONSTRUCTION OF a barrier across the Severn Estuary to harness its tidal power for electricity would be technically feasible but its economic viability is uncertain.

These are the main initial conclusions of the Severn *Barrage Committee, set up* by the Government two years ago to study the potential for what would be one of the world's largest civil engineering projects.

In a report published yesterday the committee says that while it is technically possible to build a barrage at a range of positions in the estuary as far seawards as west of Minehead, the economic calculations of costs and benefits are subject to large uncertainties.

"Although it has been shown that the output from a given sized barrage could be substantially greater than was previously thought, it still appears unlikely to produce electricity at competitive costs when compared with generation - using nuclear reactors, at present-day costs."

However, the report adds that a barrage might be more nearly competitive with *electricity generated from coal* and oil, if fossil fuel prices continue to rise in real terms.

The committee still has to complete its pre-feasibility studies, highlighting some major environmental and engineering questions, and is expected to issue a full report next year.

The committee suggests two possible sites for this "single-basin" system: a westward scheme which fully developed the energy potential of the estuary, running between Minehead and Aberthaw; and an easterly barrage between Weston-super-Mare and Cardiff, which might be the most economic possibility.

Ulster talks progress at snail's pace

By Stewart Dalby

THE CONSTITUTIONAL conference on Northern Ireland yesterday discussed proposals by the non-sectarian Alliance Party concerning the role of the 500,000 Roman Catholic minority in a future Northern *Ireland government.*

The main Catholic representatives, the Social Democratic and Labour Party, will present proposals for the protection of the minority when the conference reconvenes on March 19.

Yet the conference is now overshadowed by a feeling that its useful life is almost at an end.

This is because Mr. Ian Paisley, the main Unionist delegate, has made it abundantly clear that he will not countenance power-sharing at an executive level. He wants the minorities to be represented only by advisory committees.

Both these limitations are totally unacceptable to Mr. John Hume, the SDLP leader. Although meetings are scheduled for March 21 and March 31, with other sessions possibly in April, it may well be that Mr. Humphrey Atkins, Northern Ireland Secretary of State, will decide to curtail the proceedings on the grounds that the exploratory stages are over.

Pact opens way for expansion of Atlantic air routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BIG EXPANSION of passenger and cargo air services between the UK and the U.S. is likely to result from an agreement reached in Washington.

The pact provides for:

- Several new "gateway" cities in each country to be served by one airline from each side. The cities will be determined at the rate of one a year for the next six years.
- Boston and Miami to be added to New York and Los Angeles as U.S. points which can be served by two airlines from each side—called "dual designation."
- Acceptance by the U.S. that Gatwick shall be the airport used by all new Anglo-U.S. air services;
- A new cargo agreement providing for a progressive relaxa*tion of controls until complete* freedom is achieved on January 1, 1985.

Charter

The deal represents a substantial modification of the existing Anglo-U.S. Bermuda Two air agreement without the need for a full renegotiation of that pact.

The only item on which agreement has not been reached is charter flights between the two countries. The existing pact expires on March 31, but both sides have agreed to continue the present arrangements until new ones are discussed.

From April 1 the U.S. will be able to designate a second U.S. airline on the Boston-London route.

On the London-Miami route—a target for many U.S. carriers—the U.K. can designate a second airline in addition to British Airways from April 14. The U.S. can designate a second airline from April 15, 1981.

Laker has applied for the London-Miami route, while in the U.S., in addition to Pan American, such airlines as Eastern and Air Florida have been bidding for the route.

Another aspect of the new agreement is that from April 1, 1981, the UK can designate another airline — probably British Airways—on the New Orleans route. From April 1 this year British Caledonian is likely to be awarded the route to St. Louis.

A significant feature of the new agreement is that the U.S. has accepted the UK's airports policy, and has agreed that all new North Atlantic flights by American airlines will serve Gatwick instead of Heathrow.

Receiver keeps airline flying

By Michael Donne,

THE RECEIVER of British Cargo Airlines hopes to keep the airline running pending completion of a detailed study of the longer-term future.

Mr. Alfred Davis, of Stoy Hayward and Co., was appointed to British Cargo Airlines this week by the National Westminster Bank, at the airline's request.

This followed losses by British Cargo Airlines of £805,000 in the first six months of the current financial year, to end-September last year, and the prospect of continuing losses until the end of the year.

Mr. Davis is making a detailed study of the airline's financial and other problems, and hopes to reach a decision on future policy soon, perhaps by the middle of next week.

In the meantime, the airline is continuing to fulfil current contracts.

Genetic engineering plant for U.S. group

BY DAVID FISHLOCK, SCIENCE EDITOR

THE U.S. pharmaceutical group G. D. Searle is building a pilot plant at High Wycombe, Bucks., at a cost of about £5m, to scale up its production of new drugs by genetic engineering. It is expected to be operating by midsummer 1981.

The first task of the biotechnology plant will be to scale up a technique for cultivating interferon, a very rare natural chemical with promising therapeutic properties, particularly in treating cancer.

Dr. Daniel Azarnoff, president of Searle's research and development division, says the plant will be able to produce 9.6bn units of fibreblast interferon a month, by methods "known to produce a molecule which corresponds exactly to that occurring in the human body."

This drug, made by tissue culture techniques, will then be used as the yardstick by which the efficacy of interferon made by genetic engineering will be judged.

The plant is also to be used for the development of other drugs based on the techniques of recombinant DNA — that is, genetic engineering — in which Searle is investing considerable research resources.

It is expected to make these new fermentation products in sufficient quantity for safety testing and clinical trials.

Roads 'delay exports'

BY LISA WOOD

NO COUNTRY in Western Europe has the same problems as Britain in getting its exports to the docks, it was said yesterday in a British Road Federation report.

The report says traffic congestion is holding up the delivery of export orders, wasting time and money and taking the edge off the price of goods sold abroad.

It criticises the Government for "half-hearted" policies on road access to the ports. It says action has been promised for more than 20 years but gaps remain in the network. In many cases key road schemes needed to complete links with ports have fallen to the tail end of the trunk road programme.

Only two British ports—Bristol and Glasgow—have direct motorway links. This is in marked contrast to the importance other European countries attach to giving docks good roads access.

Ports such as Rotterdam, Antwerp, Le Havre and Genoa are connected with extensive motorway systems. "Most of our docks are still served only by narrow streets running through outlying residential areas."

Textile companies 'may have to look abroad'

BY OUR BELFAST CORRESPONDENT

BRITISH TEXTILE companies might be forced to consider establishing plants in less developed countries, Mr. Alan Clough, president of the Textile Institute, warned yesterday.

Much could be done through a co-operative effort by the textile and clothing industries in the EEC to end "the sombre chronicle of events" which they had experienced.

But he suggested a number of options, if all combined efforts failed, the main one being a move abroad.

"Textile companies should consider going overseas to less developed countries and setting up plants where there may be considerable commercial advantages.

"It is risky, difficult to control, but we have evidence of other European countries doing just that. If you can't beat them, join them."

Mr. Clough, who was addressing the annual conference of the Northern Ireland Textiles Industry Training Board in Newcastle, Co. Down, set out a programme for textile producers to follow.

The Multi-Fibre Arrangement, if properly implemented —which it was not—should have been helpful, he said. On its renewal next year, the MFA would have to be made even tighter, and this had to be discussed immediately.

The bonds between employers' organisations and the unions should be strengthened. MPs and European MPs should be urged, using the spectre of unemployment in their constituencies as a lever.

Mr. Clough said the Department of Industry understood the position, but other departments were far less enthusiastic about the viability of textiles.

"We must put pressure on them more and more to understand that more protectionism is not what it is all about—it is ensuring that the rules of the game are strictly adhered to by the Government and the Commission," Mr. Clough said.

The Government must be seen to believe in the EEC and stop giving the impression that it was a reluctant partner.

Opposition to metrication

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

OPPOSITION from consumers to switch to metric weights and measures is revealed in a new survey published yesterday.

The survey, commissioned by the National Consumer Council, found considerable consumer confusion over the current state of the metrication programme. Half the 2,000 people surveyed felt there should be no further metrication, while 44 per cent said the existing programme should be completed.

In the latest issue of Clapham Omnibus, the magazine published by the NCC for consumer representatives, the authors say: "It appears the predominant thing is a dislike of metrication itself, not simply a sense of confusion over the overlap of imperial and metric measurements."

The survey was commissioned by the NCC following the Government's statement last year that no further compulsory metrication measures would be taken to complete the 13-year-old metrication programme. But a voluntary move towards metrication is still allowed.

The NCC had asked the Government to set up a metrication monitoring unit to help remedy confusion and allay fears that prices were not being unduly raised. But the proposal has been turned down by Mrs. Sally Oppenheim, Consumer Affairs Minister.

"We are left with an unsatisfactory situation in which consumers have to work with two systems of weights and measures and cannot expect any early end to the confusion this causes," said Mr. Jeremy Mitchell, the NCC's director.

● NEWS ANALYSIS — PETER RIDDELL EXPLAINS WHY TREASURY FIGURES DIFFER

Variations in calculating PSBR

THE PUBLIC sector borrowing requirement has become central to pre-Budget discussions. It is the figure to which all the tax and public spending changes must ultimately conform.

The current size and possible Budget target dominate the many analyses and comments produced by brokers, bankers, academics and politicians as well as journalists.

Yet although it has become clear that Sir Geoffrey Howe, the Chancellor, is unlikely to aim for a borrowing limit of much more than £8bn in 1980-1981 after Budget changes, there is still confusion about what the pre-Budget starting point is.

At the beginning of the year a figure of as much as £10.5bn was widely mentioned. Now it is £8.5bn to £9bn; and both are presented as pre-Budget estimates. This apparently miraculous change was picked up last week by Mr. Denis Healey, who is no slouch at presenting statistics. He asked whether the higher figure had been used to frighten Cabinet colleagues into public expenditure cuts while the more recent, lower, one was intended to reassure the City because cuts in public spending will not be large enough.

As Mr. Healey well knows, the Treasury can be Machiavellian about its use of borrowing estimates. But the explanation this time is not quite as sinister. The difference in borrowing figures reflects changes both in estimating and policy, as well as, most significantly, variations in assumptions.

Projecting public sector borrowing has always been much more of an art than a science, because it is the difference between the large sums of spending and revenue; neither of these is entirely or directly under Government control, and both are influenced by the level of activity and inflation. A recession boosts borrowing by cutting revenue and raising spending on unemployment and other benefits.

The result is a huge margin of error—as much as £3bn either way—six months before the start of a financial year.

The starting point for the 1980-81 estimates was last November when the Treasury's Industry Act forecasts implied a figure of between £9bn and £11bn, on the same assumptions November public spending plans and increases in income tax allowances, thresholds and specific Customs and Excise duties in line with the 1979 price rises.

At the time, this estimate was regarded as being a bit too low, because the Treasury was taking an optimistic view of inflation prospects. Other things being equal, which they never are, a faster rate of inflation will increase borrowing in cash terms as the gap between revenue and spending widens.

As economists become more pessimistic about inflation and about the level of output following the further rise in oil prices at the turn of the year, their estimates of borrowing rose to between £10.5bn and £1bn, on the same assumptions as those of the Treasury. This is believed to have been one of the figures shown by an early run of the Treasury's forecasting model five to six weeks ago, which was very gloomy about output in 1980.

How the PSBR forecast has changed

	£bn
Treasury, November	9 to 10
City analysts, January to February	10.5 to 11
Implied Treasury pre-Budget estimate now after spending cuts and cash limits squeeze	8.5
National Institute, now	9

This reinforced the Cabinet's desire to search for further public spending cuts. The Prime Minister said in January that she would be "quite pleased" with cuts of £2bn. But this figure always included £1bn from the hoped-for reduction in the UK's net contribution to the EEC. Since no progress has been made on this isuse, no reduction in the contribution is being assumed in the Budget.

This left a target of £1bn from domestic savings and, after the familiar wrangling between the Treasury and spending Minister, a reduction of about £750m was agreed. In addition, it was decided to set cash limits for public spending at below the expected rate of inflation so as to squeeze out an extra 1 to 2 per cent, saving roughly £1bn.

There have also been changes in estimates both because the recession is expected to be less horrendous than suggested by the first Treasury estimates and because revenue looks like being boosted by a rapid growth of earnings (increased PAYE) and by the rise in crude oil prices (raising Petroleum Revenue Tax).

These changes, together with the cuts in spending plans and the cash limits squeeze, have been sufficient to reduce the Treasury's pre-Budget borrowing projection to around £8.5bn —again assuming increases in direct and indirect taxes in line with inflation.

The contrast between this figure and other recent estimates is largely explained by differences in working assumptions. For example, the Confederation of British Industry's projection of borrowing of £10bn on present policies in 1980-81 is actually slightly lower than the Treasury figure if the CBI's decision to ignore further spending cuts since November and any increase in indirect tax duties is taken into account. The CBI only assumes the indexation of income tax allowances.

Similarly, the London Business School's estimate that borrowing in 1980-81 will be £10.7bn on a pre-Budget basis takes no account of any spending cuts or cash limits squeeze, though it does assume a £500m reduction in the EEC contribution. Any remaining gap is well within the margin of error.

The fact that the Treasury's and other analysts' pre-Budget projections are near Sir Geoffrey's assumed target explains why it is possible to suggest that the Budget can be neutral in fiscal terms. But this only indicates the net position after taking account of spending cuts and the indexation of taxes, and the Government may not wish to adjust the tax system fully for inflation.

Many economists would argue that far too much importance is attached to a public sector borrowing figure set in cash terms; instead, some would urge that adjustments should be made to take account of the state of the economic cycle while others would also urge inflation adjustments.

The Government, and analysts like the London Business School, believe that public sector borrowing is a key influence on the money supply and, in the medium term, on inflation.

But what is much more uncertain is whether holding down borrowing to slightly below the 1979-80 level will be sufficient to fulfil the Government's overriding objective of lower short-term interest rates at a time when the pressures, especially from abroad, are upwards.

Pinstripe suit 'still best for the career-conscious'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE wearing of conventional clothes to work is still regarded as an essential step towards promotion, according to a survey, published today in the Consumers' Association's magazine, Which?

A traditional three-piece pinstripe suit, with a white shirt and sober tie, was considered the most widely acceptable clothing for a career-conscious man to wear to work.

Women would need to wear a fairly plain two-piece skirt suit to become successful at work, the survey suggests.

The survey concluded that in spite of the general trend towards greater freedom of dress, both employees and employers agreed that clothes at work should be conventional.

Nearly three-quarters of the 1,000 people questioned agreed that the wearing of unusual clothes at work gave a bad impression to customers and clients.

The Which? researchers were surprised at the degree of conformity over clothes at work. The magazine initially started the survey to find out the best materials and designs for clothes at work, but soon found that "people were far too concerned with appearance."

The survey included the opinions of individuals as well as companies. Participants were asked to match up pictures of a range of outfits with the most likely jobs for the wearers.

Just over three-quarters of those questioned believed bosses should always be smartly dressed, while 84 per cent felt standards of dress affected promotion. Some 63 per cent thought companies which wanted employees to dress in a particular style should pay for the appropriate clothes.

Which? points out that employers are legally able to refuse a person a job because of the clothes they wear, but it acknowledges that employers face problems when trying to enforce standards of dress for existing employees.

UK NEWS

Phone supply study near completion

BY ELAINE WILLIAMS

INVESTIGATIONS BY the Government into the implications of ending the Post Office's monopoly of telephone equipment supply are nearly complete, according to the Department of Industry.

The report is likely to be highly critical of Post Office management in the London area, which has the lowest productivity of any region. Services have been badly disrupted in the past because of strikes and manpower shortages.

But the postal monopoly is unlikely to be taken away from the Post Office, although some specific services may become more open to competition.

This report is part of the Government's overall study into changing the Post Office structure and operation. The Department of Industry's findings on telephone equipment are expected to be submitted soon to Sir Keith Joseph, Industry Secretary, who will then draw up detailed plans leading to legislation before the end of the year.

The Telecommunication Engineering and Manufacturing Association has already given evidence on behalf of the equipment manufacturers, who have expressed differing views on ending the monopoly.

Two of the PO's main suppliers, General Electric Company and Plessey, gave guarded responses to the proposed changes last year, while Standard Telephones and Cables, an ITT subsidiary, welcomed increased competition.

The PO has been enthusiastic about the split, although less optimistic about monopoly changes which might not bring about improvements anticipated by the industry. It responded to the Industry Department's call for reactions with a lengthy document.

National Utility Service, cost analysts, believes the success of the new-style Post Office telecommunications will depend on its pricing policy. It says the PO should restructure its telephone tariffs to give discounts to large business users and make domestic subscribers pay a greater contribution to the cost of installing telephone equipment.

Accounts plan 'may curb credit'

BY JAMES McDONALD

THE GOVERNMENT'S proposals to exempt small and medium-sized companies from filling a full set of accounts would cause them serious difficulties, says Dun and Bradstreet, the international business information, credit rating and debt collecting organisation.

Dun and Bradstreet believes credit managers will take a much tougher line with small companies if they no longer have detailed information about their finances.

It has put forward this view in its response to the Government's Green Paper, Company Accounting and Disclosure, on which submission from interested parties must be received by end of this month.

Raising the turnover threshold to £1.3m, would allow 450,000 companies, or nearly 70 per cent of those on the companies index, to file less financial information than they do now.

Lack of information could act as a deterrent to trade. "Creditworthiness would be very much harder to assess accurately, with the result that where pertinent information does not exist, particularly that relating to turnover, the risk of doing business becomes very much greater."

Dun and Bradstreet points out that statutory disclosure requirements affecting British companies are now more comprehensive than in any other country in the world.

Therefore, while plans to harmonise disclosure regulations in line with the EEC Fourth Directive — which is effectively what is proposed in the Green Paper — would enhance considerably the quality and scope of company information in most other EEC countries "it could cause less information to be available on small and medium-sized companies in the UK than we now have."

Fiat and Lancia form marketing company in new sales effort

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FIAT OF Italy has completed a reorganisation of its car subsidiaries in the UK, one of its most important and profitable export markets, but one where it has been losing ground recently.

A new company, Fiat Auto (UK), has been formed to take over the sales and marketing operations of the Fiat and Lancia marques. But two separate dealer networks will be maintained.

Fiat believes the changes will boost its Lancia subsidiary, which will benefit from being part of a much larger UK company.

Mr. Egidio Spinelli, managing director of Fiat Auto, said that Lancia could achieve sales of 12,000 this year compared with 8,951 in 1979.

He has set a target for Fiat cars of 85,000 registrations in 1980 against 70,626 last year and a peak 72,000 in 1978.

Fiat Auto will this year have a turnover of more than £300m. Mr. Spinelli said Fiat business in Britain had been "very profitable for some years. It is one of Fiat's most remunerative in the world." The high value of sterling had also improved its position.

The Fiat marque's UK market share fell last year from 4.53 per cent to 4.12 per cent and that of Lancia from 0.74 per cent to 0.54 per cent.

This was caused by a combination of circumstances. Industrial problems in Italy hit Fiat's car output and the UK subsidiary was short for some months of its most popular cars—the Mirafiori and the "baby" 127. When supply resumed in October the independent television strike prevented Fiat giving advertising support—it spends about £4m a year on advertising alone.

This year Fiat output in Italy is running smoothly and there should be no problem of supply, particularly as some other important European markets such as Germany and France have experienced a sharp drop in car demand.

Fiat Auto will employ about 720, the same number as previously worked with the individual Fiat and Lancia businesses while the merger will allow marketing strategies to be combined. Mr. Spinelli wants to build the currently 400-strong Fiat dealership network to 450—selling an average of 200 cars a year each—and the 120 Lancia dealers should increase in the medium term to 200—selling an average of 100 cars a year each.

Fiat had already decided to spend £1m to expand its Warrington, Lancs., depot before the merger was planned and the distribution of Lancia parts will be transferred to Warrington from Alperton, London.

Common services will be provided for accounting, systems and computing, parts and technical facilities.

The restructuring of Fiat's car business in the UK parallels the re-organisation of its truck operations, also using two marques—Fiat and Magirus Deutz. These have been combined into Iveco (UK) so as to share some overhead costs. But the trucks continue to be sold through separate dealer networks.

Midland may pay interest on current accounts

By Michael Lafferty, Banking Correspondent

THE MIDLAND BANK is considering ways in which it can pay interest on current bank deposits.

The bank said yesterday that it was likely that such scheme would eventually be launched, though problems had still to be resolved. These include the Inland Revenue's attitude to customers who waive their rights to interest in return for reduced bank charges.

The scheme is unlikely to get off the ground while the corset restrictions on bank funding remain in force.

Response

The Midland idea is seen partly as a response to criticism about much-increased bank profits. It also arises because Midland wants to increase its market share in retail banking.

Both Lloyds and National Westminster, the two large clearing banks which recently reported 1979 results, admit that 90 and 70 per cent increases in their respective UK profits arose largely from having substantial free current account deposits. At NatWest these balances account for 45 per cent of all deposits.

Interest on current accounts, if at sufficiently high rates, would have the effect of smoothing bank profits from year to year.

Life insurance body worried by misuse of tax relief

BY ERIC SHORT

LEGISLATION to prevent life companies from misusing the tax relief on regular savings life assurance contracts would be welcomed by the Life Offices Association and the Associated Scottish Life Offices.

The life associations have been concerned at the marketing of one- and two-year high-yield income bonds by some life companies. These make skilful use of the tax relief available on long-term contracts — at present 21.2 per cent is added to the investor's payments—and yields of 18 per cent, net of basic rate tax are common for one-year bonds.

The position of tax relief on life assurance contracts is one of the subjects in the Government's long-term review of tax allowances. The associations feel widespread misuse could weaken their case for its retention for contractual long-term savings. More than £80m worth of these bonds were sold in 1979. The vast majority of the sales were in the final two months.

Most of the life companies selling these bonds are not members of the Associations. The Life Officers Association has advised its members not to partake in these types of operation, but two of its members are already marketing such bonds. If no action is taken in the forthcoming Budget, other association members have indicated that they will reconsider their attitude and probably enter the field.

The associations, as trade bodies, have no power to impose restrictions on the marketing of members.

Mr. Ralph Sepel, chief executive of Albany Life, a company active in this field and not a member of the association, stated that income bonds provided a need for the investor and the public were entitled to the use of tax relief on schemes within the law.

Mr. Jim Souness, as deputy chairman of the Scottish Association stated that he fully supported the ending of short-term income bonds in a form that misused tax relief. But he is also a director of Merchant Investors Assurance, another life company active in this field and also a non-member of the Life Officers Association.

He said this marketing decision was taken after he had cautioned the company against the issue and warned on the long term danger of tax relief being withdrawn.

Mr. Oppenheim

MR. HENRY OPPENHEIM, husband of Mrs. Sally Oppenheim, the Consumer Affairs Minister, died in London yesterday of a brain haemorrhage.

Mr. Oppenheim, who was 66, had been seriously ill for the past month with a haemorrhage suffered at his West Country home. He had worldwide interests in property and finance, including the chairmanship of City Wall Properties, before ill health forced him to retire several years ago.

NOTICE OF REDEMPTION

U.S. Rubber Uniroyal Holdings Société Anonyme

6¼% Guaranteed Sinking Fund Debentures due 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 1, 1967, providing for the above Debentures, there will be redeemed for account of the Sinking Fund on April 1, 1980 (the "Redemption Date") $690,000 principal amount of the 6¼% Guaranteed Sinking Fund Debentures due 1982 (the "Debentures"), at the redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date.

The serial numbers of the Debentures which have been selected for redemption (each bearing the prefix letter "M") are:

M-34	1918	3685	4529	6428	7854	9337	10560	12028	13674	14750	15915	16903	18190	18855
195	1963	3690	4560	6510	7887	9343	10579	12042	13682	14985	15923	16938	18198	18859
202	2001	3705	4606	6518	7904	9349	10583	12067	13692	14992	15931	16949	18204	18872
287	2032	3743	4615	6540	7978	9356	10592	12127	13699	15128	15936	16963	18239	18928
307	2051	3752	4641	6549	8002	9362	10596	12162	13709	15135	15951	16980	18244	18934
341	2181	3781	4783	6675	8013	9414	10613	12235	13721	15156	15970	16997	18272	18950
358	2223	3785	4887	6682	8044	9424	10630	12254	13730	15166	15976	17056	18280	18954
364	2255	3807	4894	6715	8116	9435	10660	12302	13734	15200	16006	17079	18286	18958
442	2287	3818	4915	6729	8135	9472	10743	12317	13742	15252	16028	17092	18290	18969
481	2485	3819	4931	6749	8170	9496	10765	12359	13798	15271	16039	17100	18296	18976
501	2512	3878	4961	6759	8530	9565	10784	12535	13802	15338	16050	17115	18304	18983
519	2516	3922	4965	6944	8537	9589	10844	12782	13829	15342	16058	17119	18308	19002
529	2531	3928	5013	7008	8549	9605	10943	12813	13836	15381	16064	17135	18312	19041
668	2577	3935	5055	7062	8592	9610	10949	12859	13841	15401	16081	17158	18317	19050
678	2616	3945	5117	7069	8609	9673	10986	12914	13856	15437	16091	17168	18350	19068
700	2633	3973	5123	7095	8617	9679	10991	12937	13864	15444	16104	17177	18355	19114
715	2644	3976	5165	7185	8651	9682	10999	12958	13867	15482	16109	17228	18359	19122
744	2653	4012	5175	7204	8663	9753	11030	12966	13875	15488	16116	17234	18384	19129
770	2708	4030	5260	7208	8672	9810	11049	13105	13887	15495	16139	17248	18389	19168
774	2721	4032	5340	7211	8678	9814	11094	13125	13897	15504	16151	17280	18434	19179
827	2731	4065	5422	7216	8708	9817	11110	13157	13928	15511	16205	17318	18438	19184
920	2751	4074	5430	7225	8758	9823	11119	13174	13941	15517	16220	17338	18444	19203
1001	3052	4127	5461	7235	8787	9882	11144	13180	13960	15521	16317	17356	18478	19211
1009	3066	4134	5491	7240	8814	9899	11193	13190	13975	15526	16341	17360	18558	19243
1112	3085	4144	5574	7248	8856	9945	11213	13205	14000	15530	16364	17371	18577	19253
1139	3093	4153	5623	7270	8863	9965	11269	13304	14008	15533	16374	17447	18585	19259
1167	3187	4160	5655	7367	8881	10062	11395	13329	14013	15540	16385	17462	18591	19277
1207	3195	4165	5683	7388	8922	10077	11416	13349	14040	15553	16395	17480	18599	19285
1215	3204	4173	5728	7501	8930	10086	11488	13357	14147	15557	16454	17522	18606	19314
1227	3251	4183	5745	7533	8945	10128	11533	13383	14160	15566	16462	17527	18609	19323
1347	3266	4188	5750	7540	8948	10155	11555	13401	14179	15573	16471	17572	18629	19335
1393	3275	4195	5846	7547	8999	10235	11569	13436	14206	15592	16486	17578	18634	19342
1440	3358	4208	5870	7555	9010	10291	11665	13451	14277	15640	16503	17584	18639	19353
1462	3364	4220	5876	7560	9034	10300	11694	13461	14355	15702	16521	17597	18647	19365
1522	3372	4225	5882	7583	9040	10341	11713	13469	14360	15706	16628	17616	18668	19409
1535	3407	4244	6020	7623	9094	10358	11724	13476	14368	15713	16666	17645	18747	19424
1541	3414	4251	6089	7627	9099	10367	11783	13486	14380	15717	16705	17655	18752	19437
1568	3464	4253	6176	7637	9132	10374	11794	13552	14418	15724	16714	17780	18759	19447
1600	3469	4298	6239	7646	9139	10379	11803	13560	14445	15742	16747	17794	18769	19458
1670	3507	4307	6245	7665	9144	10390	11837	13592	14503	15745	16752	17899	18779	19459
1698	3530	4465	6275	7739	9168	10397	11885	13611	14525	15770	16821	17970	18793	19479
1708	3577	4491	6280	7763	9173	10429	11902	13619	14547	15787	16828	18011	18804	19498
1853	3626	4497	6300	7775	9180	10450	11912	13627	14561	15825	16848	18073	18836	19576
1866	3635	4505	6310	7785	9299	10516	11924	13636	14642	15839	16855	18088	18841	19642
1898	3645	4510	6338	7805	9304	10538	11958	13644	14730	15900	16876	18165	18845	19751
1901	3676	4526	6409	7852	9332	10545	12011	13666	14745	15907	16898	18181	18848	19804

On and after the Redemption Date the Debentures designated above will become due and payable upon presentation and surrender thereof, with all coupons maturing subsequent to April 1, 1980, attached, at the option of the holder, either at the office of Chemical Bank, by mail: P.O. Box 25983, Church Street Station, New York, New York 10249 or Chemical Bank, by hand: Corporate Tellers, 55 Water Street—Room 234, 2nd Floor North Building, New York, New York 10041, or at the office of Mees and Hope in Amsterdam, the office of Société Générale de Banque S.A. in Brussels, the office of Deutsche Bank A.G. in Frankfurt, the office of Hambros Bank Limited, Samuel Montagu & Co., Ltd., and S. G. Warburg & Co. Limited in London, the office of Banque Générale du Luxembourg, S.A. in Luxembourg, the office of Banco Nazionale del Lavoro in Milan and the Office of Crédit Lyonnais in Paris.

Interest on the Debentures so designated for redemption shall cease to accrue on and after the Redemption Date. All coupons maturing after said date which appertain to such Debentures shall be void. Coupons maturing on April 1, 1980, should be detached and surrendered for payment in the usual manner.

U.S. Rubber Uniroyal Holdings Société Anonyme
By: Chemical Bank, Trustee

DATED: February 28, 1980

NOTICE OF REDEMPTION
To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.I.

(National Hydrocarbons Authority)

7% Sinking Fund Debentures due October 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on April 1, 1980, at the principal amount thereof $1,666,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. $1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

04 06 11 19 44 46 47 52 53 57 59 60 71 72 85 95 97

Also Outstanding Debentures of $1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

429	1429	5329	6429	9029	11329	13829	16529	29829	34329	38329	40729	42029	44529	47529	49629
629	1929	5429	6529	9329	11429	13929	16929	30529	34929	38629	40829	42429	44729	47629	
729	2529	5529	7729	9629	12229	15029	17029	30829	35129	38829	41129	42829	45529	47729	
829	3229	5629	7929	10529	12329	15429	17329	32529	36529	38929	41229	43529	46029	47829	
929	3629	5729	8029	10729	13029	15729	17429	32729	37129	39229	41529	43629	46129	48529	
1229	4029	6229	8529	10829	13329	16029	27629	33329	37329	39729	41629	43729	46429	48929	
1329	4129	6329	8829	11229	13729	16229	29429	34229	37529	39929	41929	44329	47429	49429	

On April 1, 1980, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due April 1, 1980, should be detached and collected in the usual manner.

From and after April 1, 1980, interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI
By: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, Fiscal Agent

February 26, 1980

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. $1,000 EACH

M 8627	14112	14115	14117	14119	31458	33040	33865	49515	49546	49558	49617
11243	14114	14116	14118	29737	33037	33323	38774	49540	49550	49587	49640

APPOINTMENTS

Executive posts at Hongkong and Shanghai Banking

THE HONG KONG AND SHANGHAI BANKING CORPORATION has appointed Mr. E. W. Duffy, Mr. J. R. Petty, Mr. R. W. Hubner, Mr. K. S. Li, Mr. P. E. Hammond and Mr. I. H. MacDonald to the board. Mr. Duffy, Mr. Petty and Mr. Hubner are respectively chairman, president and director of Marine Midland Banks, Inc. of Buffalo, New York. Mr. Li Ka Shing is chairman and managing director of Cheung Kong (Holdings). Before their appointment as directors, Mr. Hammond and Mr. MacDonald were general managers. Mr. Michael G. R. Sandberg, chairman, Mr. John L. Boyer, deputy chairman, and Mr. Ian H. MacDonald, executive director, of the Hong Kong and Shanghai Banking Corporation (HSBC), join the board of Marine Midland Banks, Inc. (MMBI).

★

Mr. W. J. C. Doule has been appointed a non-executive director of BRITISH BENZOL CARBONISING. He is also a director of Keyser Ullmann and Throgmorton Trust.

★

Mr. Frank Yeomans has been appointed commercial director of P and O ROADWAYS, part of P and O European Transport Services.

★

Mr. R. L. Wyatt has been appointed corporate finance director in charge of the aerospace finance activities at MIDLAND BANK INTERNATIONAL.

★

Mr. Sam Burns is to retire as managing director of WILLIAM HILL ORGANIZATION on January 31, 1981, the end of the company's current financial year. The Board intends to invite him to continue as a non-executive director. Mr. L. P. Cowburn, assistant managing director, has been appointed joint managing director with Mr. Burns. Mr. H. W. Abbey becomes assistant managing director.

★

Former managing director of Tonka Toys, Mr. Mike Harrison, has joined IML as managing director of IML AIR SERVICES (UK).

★

Mr. David E. Gourlay has been appointed a director of BRIDGEND PROCESSES as a representative for the London Trust Company.

★

Lord Godber has been appointed chairman of LUTON BEDFORD RADIO.

★

Sir Ronald Leach has been appointed to the Board of STANDARD CHARTERED BANK (C.I.), a subsidiary of the Standard Chartered Bank Group.

★

Mr. Anthony Stodart, a former Minister of State for Agriculture, Fisheries and Food, and Mr. A. C. S. Savory, until recently chief personnel executive of Unigate, have joined the Board of FMC as non-executive directors.

★

Mr. Ray Anderson has been appointed overall creative director of CENTURION GRAPHICS, a subsidiary of Centurion Press.

★

Mr. James Joll is to join S. PEARSON AND SON as an executive director on May 1. Mr. Joll has been a director of N. M. Rothschild and Sons, since 1970 and will be resigning from that Board from March 31.

★

Mr. Ronald G. Brown has been appointed financial director of W. CANNING from March 31.

★

Mr. Richard J. M. Pitchers has been appointed to the board of JOHN BEGG.

Mr. Colin J. Hood has been appointed chief manager of NATIONAL WESTMINSTER BANK'S Hong Kong branch. Since 1976 he has been head of shipping section, corporate financial services department, international banking division in London, where he is succeeded by Mr. Robin A. P. Butcher, a manager in shipping section.

★

GREENCOAT PROPERTIES states that Mr. A. J. Kelley has been appointed managing director. Mr. G. A. Ball remains on the board as a non-executive director. Mr. D. S. Mackay has resigned as a director to take up a position as managing director of Cala Properties.

★

Mr. Robert Hampson has been appointed a director of CAPPER NEILL. He continues as managing director of Capper Pipe Service, the UK plant and pipework contracting division.

★

Mr. Keith Charlton has been appointed managing director of LEECH HOMES (NORTH EAST), part of the William Leech group.

★

Mr. James Paterson is appointed to the board of TCI (Technology for Communications International) as marketing director.

★

Mr. C. C. Longstaff, Mr. C. C. Mell and Mr. A. R. Rees-Reynolds have retired and resigned from the board of BLUNDELL-PERMOGLAZE HOLDINGS.

★

Mr. Anastasios Christodoulou, secretary of the Open University since 1969, will succeed Sir Hugh Springer as secretary general of the ASSOCIATION OF COMMONWEALTH UNIVERSITIES when he retires in September.

Mr. M. C. Davie has been appointed to the Board of HOGG ROBINSON OVERSEAS, a member of the Hogg Robinson Group.

★

Mr. Raymond S. Willis has joined Dowty as marketing director of ULTRA ELECTRONIC COMPONENTS.

★

Mr. J. D. Harrison has been appointed a director of HARDYS AND HANSONS and continues as company secretary.

★

Mr. Gerrit E. Venema, executive vice president, has been appointed head of WELLS FARGO BANK'S Europe/Africa/Middle East division, headquartered in London. He succeeds Mr. E. Alan Holroyde, senior vice president, who has returned to the Bank's San Francisco headquarters to head global operations for both the international and corporate banking groups. For the past several years Mr. Venema has been deputy head of the international group and head of the Latin America division and the Bank's international global services group.

★

Mr. Sidney J. Carr, vice-chairman of BRENT WALKER, will act as chairman until Sir Anthony Burney takes up that position on July 17.

★

Mr. J. Robinson has been appointed to the board of SPIRAX-SARCO EUROPE, a subsidiary of Spirax-Sarco Engineering. He is at present sales manager of the company.

Froude to build £1.5m helicopter test plant

A £15m contract for 6,700 Bedford 7 cwt vans to be built at VAUXHALL'S Luton plant has been placed by the Post Office. All the vehicles are for the Post Office's telecommunications business and will be distributed to telephone areas throughout Britain.

★

AN order for test plant worth £1.5m has been placed by Westland Helicopters with FROUDE ENGINEERING, a member of the Redman Heenan International Group. The plant has been designed for the development testing of helicopter transmissions and will be used initially on the Westland WG34.

★

The General Construction Materials Company of Iraq has placed an order for YALE locks and door furniture worth £750,000. Deliveries, which have now commenced, will be made overland via Turkey.

★

HUMPHREYS AND GLASGOW SERVICES has been awarded two contracts by the London Borough of Southwark. The orders worth nearly £500,000 are for external works and roofing repairs.

★

Essex County Council has ordered a pair of multiple processor keying systems from Hemel Hempstead-based manufacturer COMPUTER MACHINERY COMPANY. Value of the order is £139,000.

★

BURLINGTON SLATE, Conniston, has secured a £55,000 order for Westmorland green slate to cover the police headquarters in Laval, Northern France.

★

PETROCARBON DEVELOPMENTS has been appointed main contractor for a major modernisation project at the Speke, Liverpool, factory of Goodlass Wall and Company—manufacturer of Valspar paints. The project, valued at £7½m, is to improve production facilities of resins, oil and emulsion paints, warehousing for raw materials and finished product, as well as various utilities and amenities. Petrocarbon Developments is part of the Manchester-based Burmah Engineering Company.

★

KLM Royal Dutch Airlines has awarded DATA PROCESSING CUSTOMER ENGINEERING PTY a contract to maintain a twin IBM 360/65 installation at the Amstelveen Computer Centre in the Netherlands. Valued at about £200,000 over four years, this is the first overseas contract won by DPCE and the company's fourth airline customer.

★

The Philip Morris tobacco company has ordered £168,000 worth of process control equipment from TAYLOR INSTRUMENT, Stevenage, Hertfordshire, for four of its manufacturing plants in Holland, Germany and Switzerland. The equipment will be installed at Bergen-op-Zoom in Holland, Berlin and Munich in Germany, and at Onnens in Switzerland. Timeus and Company, Taylor's agent in Zurich, negotiated the order.

★

SOUTH WALES SWITCHGEAR, a Hawker Siddeley company, has won a contract worth £500,000 to supply equipment for the electrification of the Kowloon to Canton railway in Hong Kong. The company will manufacture and instal single phase 25kV outdoor metalclad vacuum circuit breakers and control equipment on the main power supply to the electrified track.

★

GLANVILL ENTHOVEN, the insurance broking subsidiary of the Charterhouse Group, has made the following subsidiary appointments: Mr. S. Boorman has become a director of Glanvill Enthoven (Home) and Mr. W. F. Shenton and Mr. P. J. Van de Pol directors of Industrial & Mercantile Credit Insurance.

STEEL STRIKE . . . REACTIONS TO PICKETING AND VOTING

'Ballot about ballot' may be inconclusive

BY PHILIP BASSETT, LABOUR STAFF

BRITISH STEEL Corporation will not know until next week the result of its "ballot about a ballot," the name given to its attempt to gauge the feelings of its workers on whether to put its "final" 14.4 per cent pay offer out to a vote, rather than engage in further rounds of negotiations with union leaders at national level.

There are signs that the result of the exercise may be less clear-cut than BSC might have hoped.

If, as critics have claimed, the real purpose is to divide the workers at a crucial point in the nine-week strike, that seems at least to some extent achieved.

Mr. Bob Scholey, BSC chief executive, repeated yesterday his claim that every day was bringing in hundreds of letters from steel strikers saying either that if given the chance they would accept the offer, or that they would like to be balloted on it.

He said the letters indicated that the union executive were out of touch with their members in talking of intensifying the strike. "I think sometimes a point is reached where people forget all about the work force, and it becomes a political struggle."

An examination of attitudes in the so far militant Sheffield area in the past few days shows a degree of uncertainty.

On one hand, the strikers at a mass meeting called specifically to discuss the ballot plan collected up the ballot papers.

Some were said to have been destroyed and others dumped unsigned at a local BSC headquarters where the corporation could not return them to the workers to whom they were sent.

Other forms, collected by the strike leaders, will obviously never find their way to the Electoral Reform Society for counting, at least without having been spoiled, as the main steel union, the Iron and Steel Trades Confederation, *originally suggested.*

On the other hand, away from the shared enthusiasm of a mass meeting, strikers in their own homes and neighbourhoods were less single-minded about their responses.

Union officials claimed after the mass meeting that there was complete support for the local strike committee's decision to collect the voting papers rather than return them.

They said only one voice had been raised at the meeting suggesting the strikers should vote against the ballot on the offer: and that voice only to counteract the votes of those strikers who stayed home rather than *man picket lines* and *who even* more militant union officials expect may well vote for a second ballot.

Those outside the hall where the meeting was held, both before and after the voting papers were collected, were certainly determined.

But there is a suspicion, particularly by those not directly connected with the dispute, that the 1,000-odd strikers at the *meeting may be the hard core* of the Sheffield area opposition to a return to work, and given that the hall was not full, they might be the full extent of the hard-core opposition.

Most strikers in the area have received their voting papers, though yesterday there were pockets without them, including in some cases inhabitants of the same house. This has added to confusion earlier in the week *from a completely separate* leaflet urging a Yes vote sent by BSC to strikers' homes.

Complaints

BSC hoped that the leaflet, combined with its advertising campaign in the popular and local Press, would encourage strikers to go against the ISTC's original instructions to boycott the ballot.

Mr. Stan Sheridan, local strike committee spokesman, said there had been a number of complaints about the leaflet. It looked like a ballot form, asked at one point "What do you think?", left a space, and ended by saying: "Vote Yes in the ballot."

The actual ballot-form question is a simple "Do you think there should be a ballot on the British Steel Corporation pay offer?" with boxes marked "Yes" and "No" for voting.

Many strikers interviewed at home or in their own area were critical of what they thought BSC's real reasons for the ballot attempt.

"They're trying to split us," said one. "You'll always get those who say we should go back, we have lost, we should give in. We've got them round here.

"But I don't think most people feel that."

Another striker who had not yet had his ballot form, though his son had, forcibly put the view of a number of workers by saying he would vote Yes in the *ballot this week, but No in a* second ballot on the offer itself.

"I think it is a good idea that we are having a ballot. The ordinary steelworkers have not been asked yet what they think of the strike.

"I want to be asked my views—but we are not having the 14 per cent. *If they had given us* 14 per cent in the beginning there would have been no strike.

"People may look depressed now after nine or ten weeks. They may look down, but they are still strong.

"We have got to stick together in this: if we have to come down to bread and jam then that's it. We will do that.

"We want 20 per cent. It's not much to ask for, with inflation at *18* or *19* per cent. *We* only want a decent standard of living.

"If there are no jobs when we go back after this then so be it. But we have got to fight here."

His determination was echoed by other strikers. One said he didn't think BSC wanted to know what the steelworkers thought. "They are just trying to break us up."

Overall the BSC ballot was seen by most as a side issue. If the steelworkers' response to it was a test of the present political enthusiasm for ballots as a means of ending strikes, few in the Sheffield area seemed aware of it.

For most the political aspects of the strike seemed distant. Many professed themselves "not up" on politics, though their criticisms of Mrs. Thatcher knew few bounds.

Those attending the mass meeting seemed unimpressed by the volumes of Left-wing pamphlets and papers on sale outside.

'More job losses' warning

By Our Labour Staff

INTENSIFIED industrial action by unions in the steel dispute will mean more jobs being lost, the Steel Users' Association said yesterday. *Pickets* are likely to appear at the factory gates of a greater number of steel users and lorry-driver members of *the transport union are now* under instructions not to cross any line.

"It is very sad that the unions prefer to do this rather than accept mediation," said Mr. John Safford, director of the British Iron and Steel Consumers' Council.

● Extra police were drafted into the docks at Boston, Lincolnshire, yesterday as a mass *picket* blockaded the gates. About 70 men from Sheffield arrived and sealed off all three main entrances.

The main target was 2,000 tons of rolled sheet steel which arrived overnight aboard a Panamanian freighter. More than 20 lorry-*loads* slipped through before the picket lines were strengthened, but the drivers of a further 20 lorries on the quayside were warned that they would not be allowed out.

● The TGWU's new instruction to drivers not to cross steel picket lines—it was *formally* a request—is not likely to reach local levels until today. However, the Road Hauliers' Association warned that the escalation of the dispute could spell disaster for some employers of the 10,000 lorry drivers who regularly transport steel. "Some firms rely totally on carrying steel for their business and will now have to look elsewhere," said the association.

● The Fruit and Vegetable Canners' Association estimates that during the next two weeks, 2,800 workers will be laid off in the industry with ten factories closed.

The association warned there could be an acute shortage of cans for their products lasting several weeks once the steel strike ended, with a slow return to normal work in canning factories.

Nurses prepare to fight for cut in working hours

BY PAULINE CLARK, LABOUR STAFF

*NURSES' leaders in the Con-*federation of Health Service Employees are preparing for a major battle with the Government over *working hours.*

An executive meeting of the 200,000-strong union gave notice yesterday that immediate achievement of a 37½-hour week will be treated as an urgent issue, separate from the current pay negotiations.

It warned that union efforts to ensure that a shorter week should not be paid for out of nurses' wages would be backed by "hardening attitudes" among nurses everywhere.

The new move by COHSE ahead of the April 1 settlement date is the culmination of *anger over the working week issue which has built up since last July.*

The Government then told health authorities that any money for cutting hours in 1981 must come from part of that year's pay settlement. Agreement on a 37½-hour week for *Britain's 400,000 nurses was* made in principle as part of the 1978 pay settlement, when Mr. David Ennals was Health *Minister.*

The issue has since been compounded by the Clegg Commissions findings on pay comparability for nurses, which gave a 19.6 per cent award—based on a 37½-hour week because of the 1978 commitment.

Mr. Albert Spanswick, general secretary of COHSE, said: "We are making it quite clear to the Government that we want a 37½-hour week on which Clegg based *all his comparisons and* recommendations and we do not want it paid for out of the 1980 wages bill.

"After two years talking in the Whitley Council, nurses are in the mood to insist on the introduction of the shorter *week, and it would be dishonest* to accept anything less given that they have accepted the Clegg recommendations," he said.

"The Government must not cheat the nurses, because attitudes are hardening up and down the country."

Town hall pay talks collapse

BY OUR LABOUR STAFF

TALKS on comparability payments covering half a million local Government white collar workers broke down yesterday.

The five unions rejected an employers offer of 6 to 12 per cent which would have added about 8 per cent to the wages bill and they will now consider *what further action to take.*

Mr. Mike Blick, chairman of the council's staff side and a negotiator for the National and Local Government Officers Association said the work of the last eight months providing comparability data have been a waste. "At no time did the employers relate their offer to the evidence submitted."

Officials of NALGO's national and local government committee said the union was so angry at the breakdown in talks that the committee's members would meet today to decide what action NALGO members should take.

2.5m 'jobless in 18 months'

UNION LEADER Mr. Clive Jenkins yesterday forecast an unemployment total of 2.5m *within the next 18 months.* "I am concerned for the political stability of our institutions," he told the Lords Select Committee on Unemployment.

Mr. Jenkins, giving evidence on behalf of the TUC's economic committee, called for the establishment of a new public lending agency to channel investment into manufacturing industry.

Funds of around £2bn would *be needed, he told the committee.* "We are desperately concerned about the state of our manufacturing base."

Mr. Jenkins, leader of the Association of Scientific, Technical and Managerial Staffs, strongly criticised the Government's non-intervention policies.

"We believe in tripartite management of the labour market but at the moment it is not really working," he said.

"You cannot leave the present labour market with all the volatile trends in it to market *forces.*"

Mr. Geoffrey Drain, leader of NALGO, said that a variety of measures would be needed to tackle the unemployment problem.

He called for a reversal of the Government's deflationary policies, more direct investment in industry, and selective import controls. Mr. Drain criticised *Government* cuts in the finances of the Manpower Services Commission.

As a result of changes in its special employment programmes, 100,000 fewer people would be helped into work, he said.

Rail claim goes in today

BY OUR LABOUR STAFF

AN OUTLINE claim on behalf of 180,000 members of the National Union of Railwaymen will be submitted separately today to British Rail and to London Transport.

The claim calls for substantial pay increases, shorter working *hours as a stage to a 35-hour* week and longer holidays.

The union wants rises of at least 20 per cent as a comparable increase to that secured by the miners. It also wants minimum holiday entitlement from the existing three week two days improved to four weeks.

The claim covers the union's members at British Rail and its subsidiary operations, together *with 15,000 workers on London's* Underground. Settlements for both groups of workers are due at the end of next month.

Judge says end Meccano sit-in

By Raymond Hughes, Law Courts Correspondent

THE 14-WEEK occupation of the Meccano plant in Liverpool must end, a High Court judge ordered yesterday.

At a brief private hearing Mr. Justice Pain granted the company an order for *immediate possession of the* premises, which were closed on November 30.

Later the factory-owners refused to comment on the outcome of the proceedings or reveal their plans for the factory's future.

Mr. Frank Bloor, General and *Municipal* Workers' Union convenor at Meccano, said that the company had given an informal assurance that it would not seek to enforce the order before Friday.

Mr. Bloor, one of four of the 19 people named by *Meccano on its writ who* attended the hearing, said that a report would be made to a mass meeting of the workforce this morning.

The meeting would be advised that the court order should be obeyed. "We are law-abiding people," he said.

***But the battle to save the* plant and the workers' jobs would go on. "People in Merseyside don't give up that easily."**

Many workers had had no choice but to accept their cheques from the management.

***Mr. Mike Egan, GMWU dis-*trict officer, said he did not expect an appeal against the order. But he thought that today's meeting would call for the products of Airfix Industries, the parent company, to be "blacked."**

After an orderly walkout *by the workers a picket would* be mounted.

Mr. Egan said that people were still interested in buying the plant. They included an Isle of Man businessman, Mr. Neil Gough, who was keen to keep Dinky and Meccano operations running on Mersey-*side.*

"Our problem is that Airfix are only interested in taking it abroad, maybe to France."

Re-think on Olympic boycott

By David Tonge

THE BRITISH Olympic Association yesterday hinted for the first time that it could be persuaded not to send a team to the Moscow Olympics.

On Tuesday Sir Denis Follows, chairman of the BOA, had said a British team would almost certainly accept the Soviet invitation, but yesterday he said: "I think our position would be transformed if there was stronger pressure from the Government."

Sir Denis, speaking to the House of Commons Select Committee on Foreign Affairs, said: "I do not think the Government has given a sufficiently strong indication of their displeasure." He also complained that sport was being used as a pawn in a political game.

A spokesman for Mr. Hector Monro, Minister of Sport, expressed amazement at Sir Denis's remarks. He said that apart from the numerous comments in the Commons, the Government had made its desire for a boycott clear in two letters from Mrs. Thatcher to Sir Denis and one from Mr. Douglas Hurd, Minister of State at the Foreign Office.

Mr. Monro has also talked to Sir Denis on the issue and the Minister yesterday criticised the British Olympic Association for delaying its decision on whether to accept an invitation to the Moscow Games. The BOA is to wait until it has met with other European committees on March 22 and then to meet again in London on March 25.

Mr. Monro said: "I am disturbed that the BOA should have come out, to all intents and purposes, and said it is going to Moscow because this does give succour and help to the Russians

Study on prospects for improved BR efficiency

BY LYNTON McLAIN

THE INVESTIGATION into the efficiency, cost and quality of British Rail's commuter services in London and the south east has started, although the Government Bill authorising the study is still not on the Statute Book.

The terms of reference for the investigation by the Monopolies and Mergers Commission under powers in the Competition Bill now with the House of Lords, were announced yesterday.

Interest

Mrs. Sally Oppenheim, Minister for Consumer Affairs, said the terms of reference were being published ahead of the Bill receiving Royal Assent because the plan for an investigation had already created a "great deal of public interest."

British Rail does not have a monopoly of passenger transport in London and the south east. Nevertheless it accounts for 38 per cent of all London's 1m daily commuters and operates services for which commuters often have no practical alternative.

The Government is well aware of the political sensitivity of the commuter issue, particularly as many commuters live in marginal seats in the south east.

British Rail, which is well aware of the problems of underinvestment in the area and of rising commuter dissatisfaction, published its "Commuter Charter" last year with a call for double the planned £890m investment in the region over the next 11 years.

The Commission is to investigate whether British Rail could improve its efficiency and cut costs without affecting the quality of service.

In particular, the Commission's terms of reference call for a study off:

- The extent to which any deficiency in the quality of service is the result of inefficiency;
- The scope for improvements in efficiency and manpower productivity:
- The efficiency of the BR Board in adjusting services to match demand;
- Whether greater efficiency in adjusting services would raise net revenue.

Mr. Norman Fowler, Transport Minister, yesterday underlined the importance of the study in view of British Rail's current talks with the rail unions on ways of raising substantially productivity.

He said the Commission will be looking, in particular, at the progress the Board is making on productivity and efficiency.

Comfort

The detailed aspects of the London and south east commuter services to be examined include reductions in restrictive practices; driver-only operation of trains; the punctuality of trains, their reliability and comfort for passengers.

Under the proposals in the Competition Bill, Mr. John Nott, Trade Secretary, would have the power to order British Rail to implement the Commission's recommendations. These are expected to be published in a report in September.

Editorial Comment, Page 22

Shipbuilders face further cuts

BY ELAINE WILLIAMS

BRITISH Shipbuilders may have to cut its workforce further than has already been planned.

This warning came yesterday from Sir Peter Carey, permanent secretary at the Department of Industry, while giving evidence to the Public Accounts Select Committee.

He said that British Shipbuilders' merchant shipping workforce, presently 23,500 strong and planned to drop to 20,000 by July this year, would have to be reduced further in order to increase productivity and bring the business in line with overseas competitors. But he would not comment on the extent of further cuts.

"British Shipbuilders has got to get a far tauter structure, get rid of its restrictive practices, and improve its relationship between management and workforce," Sir Peter said.

He took the opportunity of telling British Shipbuilders that it would have to live within the financial constraints laid down by the Government by making the changes needed quickly. This year the Government support is £250m while for the year 1980-81 the figure is only £120m.

Sir Peter thought that British Shipbuilders was unlikely to show a profit during the next financial year despite optimism from the company to the contrary.

Prior 'will quit' if overruled

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. JAMES PRIOR, the Employment Secretary, hinted last night that he would resign if he found himself overruled by the Cabinet on a major issue.

He told the Commons that he would do so if he was put in the same position as Mr. Eric Varley, who was overridden by the Labour Cabinet on the Chrysler affair.

Mr. Prior's remarks, during a debate on unemployment and training, referred to the occasion when Mr. Varley, who was Industry Secretary in the Labour Government, strongly opposed the scheme for the rescue of Chrysler UK.

Despite Mr. Varley's objections, the proposals—drawn up by Mr. Harold Lever (now Lord Lever)—were adopted by the Labour Government.

In yesterday's debate, Mr. Varley, now Labour's Employment spokesman, repeatedly taunted Mr. Prior over his isolation in the Tory Cabinet.

But Mr. Prior replied that Mr. Varley seemed to have forgotten the time when he was isolated in the Labour Government. On that occasion, he said, Mr. Varley was a hawk who wanted to get rid of Chrysler.

"He was overridden by the Cabinet, but he didn't resign," said Mr. Prior. "And what is more, I can tell him that, if I get overridden in the same way, I will resign. But it hasn't happened yet."

MR. PRIOR said that the Government would probably need to bring in a new Bill on industrial training in the next session of Parliament.

The training programme had to be looked at very carefully. A great deal of money was put into it, "yet here we are with more unemployment and lower productivity than we have had for years."

Mr. Varley moved a motion censuring the Government for the cutbacks in the budget of the Manpower Services' Commission and other job-protection measures. He said Mr. Prior seemed to have spoken up in the Cabinet against many of these acts of "industrial butchery" but his was a minority voice.

Mr. Prior, he said, was also fighting a rearguard action to prevent his Employment Bill being turned into a bludgeon against the unions.

"We all know that, as far as the Prime Minister is concerned, he is the wettest of the wets," said Mr. Varley. "He counts for so little in the Cabinet that the Prime Minister can afford to insult and humiliate him before millions of people publicly on television."

Mr. Varley thought what Mrs. Thatcher had said on TV was incredible. As a result, he said, it was well known that some Conservative MPs were upset and disgruntled over the way the matter had been handled.

VARLEY: repeated taunts

From the Government front bench much of Mr. Prior's speech was taken up with the defence of the Government's expenditure cuts and monetarist policies. He warned against high wage claims and was not optimistic on the employment situation.

"We have to undergo a very difficult period when world unemployment is rising as a result of the slowdown in world trade," he declared.

MPs would be doing no service to their constituents simply by thinking we could spend our way out of unemployment.

"We have to go through a rough period," he warned. It was right that we should be seeking long-term answers to our problems and recognise that the attempts to solve them in the mid and late 1970s had provided no answer.

We would cure unemployment only when we cured inflation, and we certainly would not cure inflation simply by spending more money.

"Unless and until we have beaten inflation the job prospects in Britain are bound to remain poor," he said. "That is the message the Government believes must go out from this House today.

"Defeating inflation will be easier if we get wage increases under better control. The more of the strain we take on pay, the less strain will be taken on unemployment and on reliance on monetary policies. Everything depends on getting the rate of inflation down."

Mr. Denzil Davies, a Labour Treasury spokesman, intervened to say he thought the Government believed that wage increases did not create inflation provided control of the money supply was tight enough.

But Mr. Prior explained that if money supply was controlled and some people gained wage increases over and above what could be afforded, it would mean either higher unemployment or a greater strain in the money supply.

If wage increases were kept down, then the pressures on unemployment and on the Government to increase the money supply were not so great.

Mr. John Grant, a Labour employment spokesman, asked him bluntly whether or not he agreed with the views of Professor Milton Friedman, the leading monetary theorist.

Mr. Prior replied "We accept absolutely the role that the Government can play in relieving the worst problems of unemployment and in easing the necessary process of change. The Government believes in the need to devote a part of its limited resources to these two objectives."

PRIOR: Cabinet isolation

Action demanded on lamb

BY IVOR OWEN

FRANCE'S CONTINUING refusal to grant free entry to British lamb exports brought repeated demands for retaliatory action from both sides of the Commons yesterday.

Confirmation by Mr. Alick Buchanan-Smith, Minister of State for Agriculture, that the EEC Commission is to institute further proceedings against France in the European Court, failed to check the swelling tide of exasperation over the intransigence of the French Government.

While arguing that it would be wrong to meet one illegality with anther, he admitted that proceedings at the EEC Council of Agriculture Ministers in Brussels earlier in the week had demonstrated the futility of the attempts to persuade France to comply with her treaty obligations.

"Now the law has got to take its course," he said.

Mr. Robert Maclennan (Lab, Caithness and Sutherland) attacked the six-month delay over the decision to take action to secure the enforcement of the European Court's original judgement last September.

Mr. Buchanan-Smith replied that it was wrong to say that nothing had been done.

"Persuasion having failed it is necessary now, as the Commission has recognised, to take legal action."

Mr. Buchannan-Smith envisaged that the EEC Commission's application to the European Court for an injunction requiring France to comply with its earlier ruling would take seven to ten days to complete.

He insisted that it would be wrong to meet one illegality with another when Dr. David Clark (Lab, South Shields) brushed aside the EEC Commission's decision to seek an injunction with the comment that the French Government regarded itself as being above the law of the Community.

Amil cheers, Dr. Clark contended that the time had now come when France, the main beneficiaries of the CAP, should be made to suffer.

He called on the Government to withdraw its contributions to the CAP until France complied with her Treaty obligations.

A similar approach was advocated by Mr. Tony Marlow (Con. Northampton North). He argued that in the event of failure to secure an early agreement to remedy Britain's excessive net contribution to the Community budget, the Government should give serious consideration to unilaterally withdrawing from the CAP.

Mr. Buchannan-Smith stressed that Britain was not fighting a loan battle in the EEC.

Scottish industrial promotion investigation

BY LISA WOOD

THE "PLETHORA" of development agencies and bodies responsible for attracting new investment to Scotland were defended yesterday at a Government committee on Scottish Affairs.

The committee has started an investigation, expected to last up to four months, into the efficiency of Scottish industrial promotion overseas.

The investigation was prompted by criticisms made by the public and professional bodies, such as the Fraser of Allander Institute of Strathclyde, into the overlapping of Scottish promotional agencies and the loss of potential investors, particularly to Eire.

Mr. Donald Dewar, chairman of the committee, said yesterday the investigation would also throw up issues such as the foreigners perception of Scotland's economy and labour relations.

The Scottish Economic Planning Department, a part of the Scottish Office which exercises some of the functions of the Department of Industry, in giving evidence to the committee said it was aware of the criticisms of the multiplicity of bodies and agencies.

Mr. Tony Godden, secretary of the SEPD said that criticisms overlooked the extent to which these agencies co-ordinated their work. The Scottish context was different to that in Eire, where there was a single body, the Irish Development Agency, responsible for attracting new industry.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

Europeans pioneer robot welding

FOUR manufacturing centres, two each in Holland and Belgium and belonging to large international groups, are being used successfully as guinea pigs for the large-scale application of robot welding—or flexible automation, as some engineering managers prefer to call it—to *routine production problems.*

Each centre has adopted a slightly different approach in its *adoption of the new technology.* But management in all four centres will undoubtedly agree with *P. van de Bersselaar* at the Zweegers heavy agricultural machinery plant at Geldrop in *Holland* that: "If you want to stay in the market, you have to get a robot".

His reasons for the move are twofold. It is becoming increasingly difficult to recruit good *welders and even harder to keep* them on the payroll where, as so often happens, they are *required to do boring, repetitive* jobs, with a consequent fall in concentration towards the end *of a shift.*

Bersselaar points out that, provided the user does his homework, he will gain complete control over weld quality and avoid deformation *of relatively thin metal sheets.* This is particularly important for his company, because it *exports its tedders, hay rakes* and other equipment all over the world. A breakdown due to *a weld failure in the middle of* the harvest in, say, New Zealand, would not endear the *company to the user, who* would be pretty vocal in the *surrounding countryside.* Hence *the robot to work on particularly* vital components.

In the company's plant, a *trained welder has a choice of* three worktables operating with the robot on five welding *programs at his discretion—to* a large extent.

When the robot itself can be used to carry out preliminary tack-welds on assemblies of parts to be joined, gains in production speeds run from threefold to about 50 per cent. Where manual tack-welding is required, gains are of the order of 50 per cent.

Bersselaar *underlines the* need to select the man who will run the robot with great care —*he must dominate the* equipment and ensure that it works without a stop.

At *the same time, the* programmer who instructs the robot what to do must have more *than a mere acquaintance* with welding techniques.

Ideals and procedures *developed in Geldrop* are likely to be extended in the near future to plants in Belgium, Austria *and Spain.*

At the Tomado factory close to the Belgian border at *Zwijndrecht, an equally* ambitious robot welding plan has been conceived with the aid *of a programming expert who* had no previous knowledge of welding technology.

Member of the big Belgian Bekeart goods handling equipment group, Tomado has completely automated the production of a heavy-duty trolley. This is built up from 17 mild-steel *parts by 44 short welds in five* minutes. These trolleys have to take very rough treatment in the *wholesale food and other plants* in which they are used.

These stackable trolleys take *twice as long to produce by* hand-welding. But, just like Geldrop, Zwijndrecht is a very *short of welders who are prepared to do demanding* repetitive work.

Some 5,000 robot welds are made by the ESAB/ASEA machine in one shift and only *80 of these have to be gone over* again as being out of tolerance.

This is due to factors outside the immediate control of the company, but being brought under control as time goes by. Second and possibly *third-shift* working are under consideration.

Meanwhile, a second and much more complex robot welding operation is in the final stages *of commissioning under* the control of Mr. R. K. Kühl and his programmer Mr. van Breughel. This uses, exceptionally, the sixth axis capability of the robot to change over from a completed side-frame for the trolley mentioned above to one which the *operator* has just fixed in a jig ready for welding.

This jig is at an angle to the *first and because of the length* of the frame unit this demands that the robot move on its own *bed-plate to cover all the joins.*

Accuracy is not lost, however, and the jigs are designed to tolerances of *0.1mm. Meanwhile,* the 2½ minute welding time allowed gives the operator ample opportunity to take out the completed section and place fresh components in the vacated jig.

There will thus be virtually no idle time on this particular installation and the parent company, Bekaert, which is Tomado's world selling organisation, is watching developments with understandable interest.

South of the border, in Zedlegem, near Bruges, Sperry New Holland has approached the problem in a completely different way to the preceding groups in that it has tackled the most difficult job first—on the grounds that once that was out of the way, the rest would be easy.

The workpiece now being produced on a routine basis, is a big mild-steel gearbox for heavy-duty harvesting equipment. It weighs 115 kilos and needs a 500 kilo manipulator to present it to the robot at the optimum welding angle.

This gearbox has been made as a routine operation on a production line since last October and the New Holland installation was the first such in Belgium.

Because of Sperry's worldwide management policies, this particular innovation has been *subjected to the most searching* analysis and has shown a return on capital employed of between 25 and 27 *per* cent. Actual uptime since work began amounts to 87 per cent with an ultimate target *of, say, 90 per cent.*

And, as Mr. de Cloedt, director with special responsi*bility for this production unit* says: "weld quality conforms to company standards." This *apparently mild statement* covers a complete metallurgical analysis of production run *welds, once the robot was up* and running, to ensure that penetration in a two-sided weld *up to 1.4 cm thick was perfect.* That it was and is can be gleaned from the fact that no *customer, so far, has reported* any gearbox leaks.

Less important in considering the *human side is the halving* of production time from 80 minutes. Much more important is that the robot will put up with ambients of up to 55/60 degrees C when the inside welds of the gearbox are being made.

Highly significant in this particular installation is the close attention paid to it by top U.S. management and not only because experience of robot welding there has been less than satisfactory. In fact, it seems that experience in Zedelghem will be drawn on for perhaps three U.S. plants and other manufacturing operations elsewhere in the Sperry empire.

At Nivelles, centre for the Belgian operations of UOP Bostrom, the aim of flexible automation is very different. Mr. P. Philips, masterminding the robot operation there wants his robot(s) to be able to make as many different assemblies as possible, for the enormous variety of ergonomic seats the world group makes for heavy duty vehicles—tractors and lorries—from many big manufacturers.

The Nivelles system differs from the foregoing ones in that the robot works to a two-position rotating table. Safety interlocks are so designed that the operator cannot load a jig till the robot has finished rotating the finished workpiece to his position, or the robot is inhibited till the operator is ready.

The robot unit on the right is welding a component at UOP Bostrom in Nivelles, while its controller is preparing a second workpiece at his work station on the rotating jig table

Many jigs for various seat components have been designed to date and it takes a bare half-hour to install two new jigs on *the table and change the welding* programme. As a measure of time saved, the new equip*ment can turn out 100 sets of* tractor seat suspension levers in under five hours, against 13 *hours by hand.*

Because of the many programs and the large number of parts involved, this particular application of robots is having a marked influence on the design procedure. As Philips says, until now, engineers have avoided the need to weld. Now, in his plant, designers are re-drawing components to avoid complex stamping and bending work in favour of welding.

As in the case of the other centres, sharp attention is being focused on the robot from companies in the group but operating outside Belgium. And it has already been decided that the new UOP plant to be set up at Northampton in England at a cost of £9m will have two robot centres based on the Nivelles *experience.*

Ultimately, these will be carrying out long-run mass-production jobs, *while the work on* specialist parts will appropriately remain in Nivelles where *initial experience was gained.*

Interesting in the approach to a manufacturing decision at the Nivelles plant was that Philips started out with the idea that he would go for full automation. Having seen an ESAB/ASEA robot at a German welding exhibition, he became interested, but nevertheless called in tenders from four other contestants—Trallfa (Norway), Kuka (Germany), BOC (UK) and Unimate (UK/U.S.). ESAB won despite the fact that total cost was considerably higher than the final runner-up.

To date, ESAB has sold 140 arc-welding robots worldwide and could sell many more but for the fact that it is not possible yet to mass-produce units such as these that could create enormous production line problems should they go wrong.

● INSTRUMENTS

Improving efficiency

AS FUEL costs escalate the relevance of optimised fuel combustion becomes more obvious: a conservative estimate is that nationwide a three per cent increase in boiler efficiency results in savings of about £100m annually.

But making the requisite flue measurements to obtain residual oxygen levels and gas temperature can be a messy and time consuming procedure requiring a certain amount of skill and so is frequently not carried out as often as it should.

In the last two years instruments have started to appear on the market that make the task more straightforward and the latest of these, from Neotronics, has been the result of a £½m project backed by National Research Development Corporation and the Department of Industry.

Called FEM (fuel efficiency monitor), this pistol-like lightweight instrument has a 450 mm probe for the "barrel" which can be inserted into a small permanent orifice in the stack. Readings are obtained in about one minute.

A sensor at the tip of the probe measures temperature and at the same time a gas sample is drawn in by a robust rotary vane pump, is cooled, cleaned and dried and then presented to an oxygen sensor based on the well tried City University design.

Results for efficiency, temperature and oxygen content appear on bright digital display *with selection by push button.*

When FEM is switched on the oxygen sensor is automati*cally calibrated to normal* atmospheric oxygen (20.9 per cent) and the temperature system to ambient temperature. Thus, the recorded quantities are true oxygen content and differential temperature of the flue gas.

The operator then has only to insert the pribe into the stack and press the start button. An audio tone tells him when the readings have appeared on the display. The three readings are *held in the instrument's* memory until switch-off or until another sample is taken.

According to NRDC and Neotronics, in most industrial and commercial situations where the annual fuel bill is more than about £5,000, the £500 needed to buy the instrument would be recovered in fuel savings in a period of "a few months."

GEOFFREY CHARLISH

● PACKAGING

Straps it together

WIDE USES—in newspaper and magazine publishing as well as in general industry — are possible with a combined film-wrap/strapping machine introduced by Pakseal Industries, Pakseal House, Cordwallis Estate, Maidenhead, Berkshire (Maidenhead 26381).

This comprises a sleeve *wrapper which* places and heat seals polythene film around the bundle or package, and a strapper which places *and* tensions a polypropylene strap around the pack then secures it with a strong, heat seal.

The Pakseal wrap strapper will accept rolls of polythene film up to a maximum width of 660 mm, and uses polypropylene strapping in widths from 5 mm to 15 mm.

Maximum bundle or package *size is 330 mm high x 600 mm* wide, with no limitation on length, while operating speed *is eight packs a minute.*

Naming the goods

INTENDED for centralised use and supply for an entire packaging department is an automatic label printer, the LM-D from Lawtons of Liverpool, 60 Vauxhall Road, Liverpool (051-227 1212).

Message is set by pressing individual letters or specially made logos and stereos on to the nylon ribbed printing wheel. Operator then indicates the number of labels required—anything from one to 9,999—and the machine automatically prints and cuts them at the rate of 4,000 an hour.

Once it is printing, the machine needs no supervision as it switches itself off when the job is completed.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● TRANSPORT

Snowblower first for BR

THE GRUELLING winter of last year, and an ease in its budget belt, prompted British Rail to *consider ordering a snowblower* and the first-ever machine for BR is being supplied by Atkinson's of *Clitheroe,* Kendal Street, Clitheroe (0200-22211).

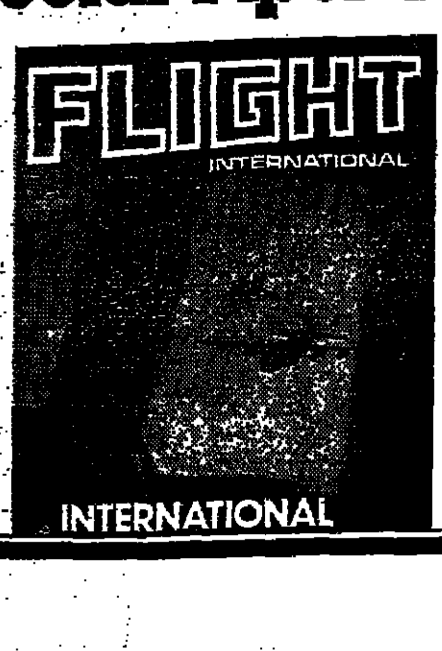
Called the Atkinson's/Beilhack HB 282 rotary blower, it is mounted on a self-propelled GWK rail car powered by a 200 hp KHD Deutz diesel engine with hydrodynamic transmission. Total weight is 25 tonnes. An 80 khp top speed puts the whole of BR's mainland network within 24 hours range of any point.

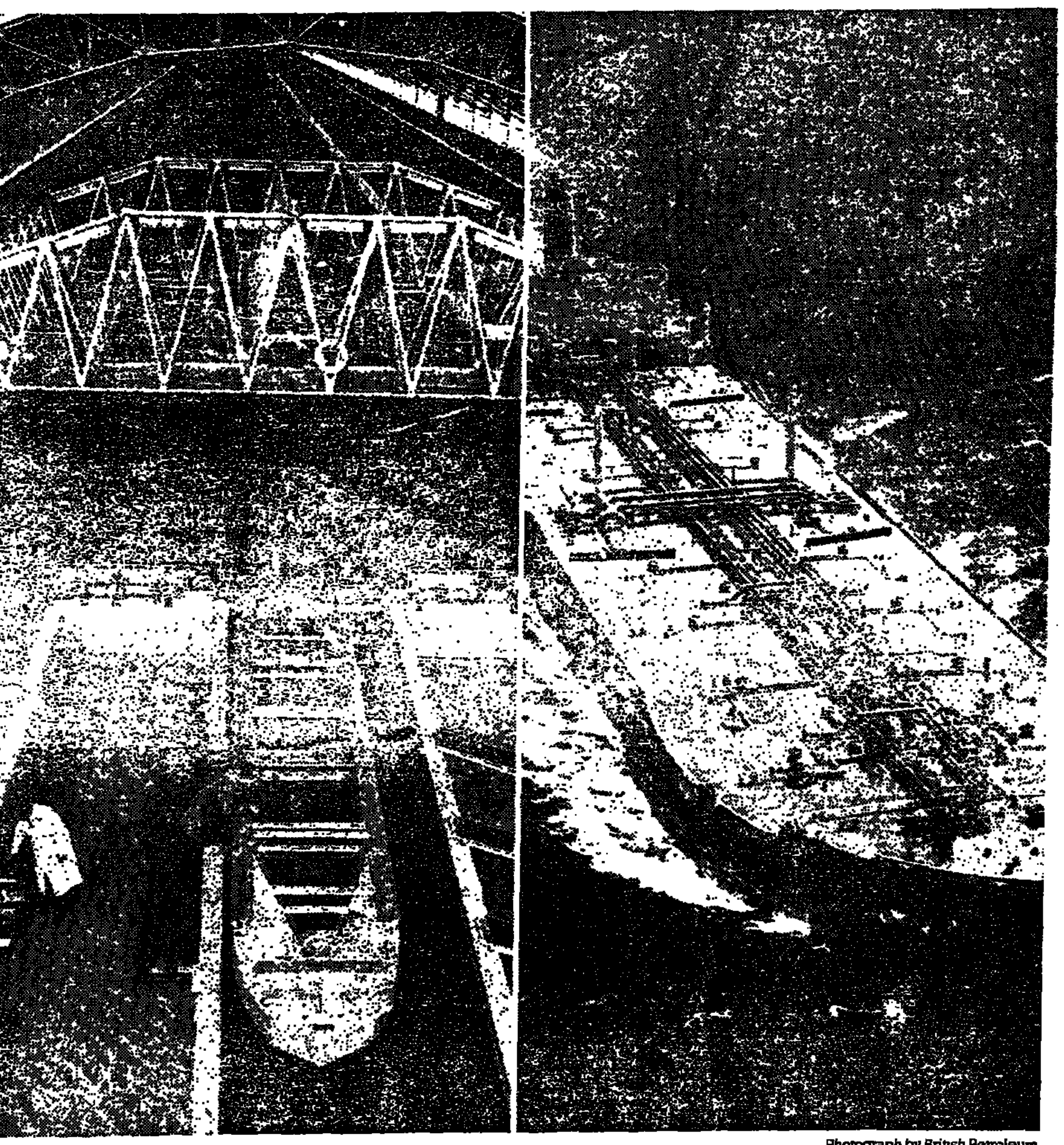
Machine has a snow-clearing capacity of 6,000 tonnes an hour and a maximum casting distance of 35 metres. Special features include a self-contained hydraulic turntable which permits the machine to be reversed *on its own axis;* and the blowers can be offset up to 0.5 metres either side of the gauge profile *to maximise snow clearance on* bends.

The blowers are demountable in order to release the rail car for track maintenance duties in summer months.

Following completion of tests in West Germany, the unit will undergo trials—probably in Scotland—and is scheduled for delivery next winter.

Under the £½m contract placed by BR, the company will also be responsible for the training of BR's drivers and operators.





Photograph by British Petroleum.

JOBS COLUMN, APPOINTMENTS

Top-level posts for determined risk-takers

BY MICHAEL DIXON

EVERY new job is risky. But today's first two opportunities are more than usually so, even though neither requires the recruit to invest money and in both there is important work waiting to be done.

What makes these jobs particularly risky is that, however well the newcomer works, whether or not the organisation concerned has a future will depend essentially on external events.

In the first case, the vital question is whether the Intermediate Technology Development Group *can raise* the remaining £925,000 of the £1m it needs to establish in London its proposed Schumacher Centre for Technology Choice.

It was the late Fritz Schumacher, author of *Small is Beautiful, who founded* the group as a registered charity in 1965.

It has since pursued his aim of supplying small-scale, which is not to say unsophisticated, technological devices and systems appropriate for use in localised, "self-help" economic endeavours all over the world. In the UK the group's efforts *can be seen in the form of* 15 local enterprise trusts, and about 45 more at various stages of formation. There are also several working communities, in which small businesses gather to operate individually while sharing services such as secretarial help, building management, first-aid facilities, and so on. And the group now wants to encourage further development of such small, wealth- and employment-generating activities across the world by setting up the London centre to furnish support in three main ways.

One is to collect and analyse facts about small-scale technologies which have proved effective, and about their availability and suitability for use in other places.

The next is to study what is needed by way of new developments in locally applicable technology and arrangements to finance and otherwise cultivate small enterprises, and to help to meet the various identified needs by carrying out "action research."

The other is to make generally available information and encouragement to anyone, anywhere who wishes to develop *localised economic enterprise.*

But while the Intermediate Technology Development Group has an awful lot of pound notes to raise before the centre can become a reality, it already needs a director for the scheme. So Dennis Frost, the group's *chief executive* has asked the Jobs Column to see if any of its readers are keen, as well as qualified, to take the director's *job.*

"Keen" is the important word, because Mr. Frost is convinced that a prime need in candidates is enthusiasm for giving widespread, practical expression to Fritz Schumacher's vision of economics working "as if people mattered." But enthusiasm is no good unless it is tempered by a shrewd and worldly wise judgment of what is likely to succeed, and what is not. So candidates need to have demonstrable practical experience of business and management, *preferably in some form* of manufacturing.

Beyond that, Dennis Frost will leave it to readers to think out and explain to him why they should be given the job. But there is no point in their doing so unless they are *prepared to work flat-out for* a salary of £12,000 to £15,000 at most and precious few perks, as well as the far from certain prospects.

Mr. Frost's address is ITDG, 9 King Street, London WC2E 8HN; telephone 01-836 9434.

Hush-hush

THE SECOND of the jobs in which the desired recruit is necessary to, but not sufficient for the future success of the organisation concerned, is far *less amenable to open discussion*. At this stage, secrecy is so essential to it hopes of success that Dermot Hoare of the *Charles* Barker - Coulthard recruitment consultancy—who is dealing with the post—may not discuss it publicly in *anything but vague terms.*

He has, however, told me enough to establish that the need is genuine and that the wish for secrecy *is justified.* And he promises not to identify any applicant who so requests, to the employer until specific permission *is given later.*

The opening is for someone with business and managerial skills which are sufficiently highly developed to run an organisation of about £20m turnover and 500 employees. But that is only the general requirement. The specific need is for successful experience as a senior executive in conjuring profits out of the various, and not always smoothly fitting, efforts of technical experts and "creative" personalities.

Mr. Hoare thinks that the kinds of background which might best qualify people to lead the new business venture could include large-scale pub*lishing, commercial research* organisations of scientific type, or big consultancy operations.

The salary will be around *£30,000, with a bonus which* would add another £10,000 or more provided, of course, that the risk entailed in the new ven*ture pays off.* The perks will include a car. Apart from that, all that may be said is that the base is in the UK, but not in London, and that the need is urgent.

Sufficiently qualified people can learn more from Dermot Hoare *at 2 Tavistock Place,* London WC1H 9RA; telephone 01-278 6961.

Gas-looker

TO BALANCE what is surely the most Delphic job-offer ever reported in this column, Mr. Hoare is also inviting inquiries to the same address about a post which is completely in the open. It is for a director cum general manager to head the exploration companies of the British Gas Corporation.

These exploration companies' operations are confined to the Continental Shelf and the UK mainland. I am told that the companies have about 120 employees, including a panoply of technical experts in mining and so on involved in three main *tasks. First:* deciding whereabouts British Gas should seek to explore and obtaining the necessary licences. Second: *pin-pointing where to drill the* exploratory holes. And third: determining what to do on the evidence of the drillings.

Whoever gets the job will be responsible for the success of such goings-on to the corporation's Main-Board member for external affairs, G. F. I. Roberts. So candidates will need enough scientific and appropriate technological know-how to guide the expert staff. But once again, there is more to the job than that.

Unlike the more ordinarily *visible employees of the gas* industry, the exploration companies do not just turn up with their paraphernalia and, *between tea-breaks, pursue* their mysterious delvings without a word of explanation to anyone. Oh no! These com*panies are much involved with* governmental and other official bodies as well as in joint explorations with companies seek*ing oil. The newcomer* will therefore need to be a skilled, high-level negotiator.

Moreover, work at the London headquarters will include supervision of the companies' financial and personnel policies. So, as Dermot Hoare says, "this is a job that requires more *administrative* sophistication than one might expect to find in a Red Adair."

He feels that the best source of candidates is senior management in some big exploration project overseas. And since the *nationalised-industry salary is* no more than £20,000 or so with perks which, although including a car, are of less than "expatriate" fulsomeness, he thinks the offer of most interest to people aged over 50 tempted to return from the foreign field to complete their career mainly in an office near Marble Arch, which is forever England.

MERCHANT BANKING

A challenging opportunity has arisen for a keen and intelligent person to join our successful and expanding corporate finance department.

The corporate finance department is involved in acquisitions, mergers, raising of capital and general financial advice. Our customers are the leading public and private companies. A considerable amount of the executive's time will be spent in investigatory work, legal documentation and financial analysis.
Ideally, candidates will be in the 23-28 age group. They will have an honours degree, a legal or accountancy qualification, with a minimum of 2 years post graduate experience, preferably in a financial or legal environment.

The ability to work as part of a team with a minimum of supervision will be essentila. Strong emphasis is placed on an individual's capacity to make mature business judgments and *express them articulately.*

A highly competitive remuneration package, which will reflect the importance of the position, is envisaged.

INVESTMENT MANAGEMENT

We invite applications to join our investment management division. Candidates for this position will have an honours degree in economics or a financial-related discipline. Ideally, they will have had 2/3 years post graduate experience in portfolio management or money-related markets.

Initially, the main duties will be to assist in the management of fixed interest securities. There will be a considerable amount of client liaison and active participation in developing the objectives and strategies of the department. Career prospects are excellent. *Salary and benefits are first class.*

F. J. HEALY
PERSONNEL MANAGER
THE INVESTMENT BANK OF IRELAND LIMITED
91 PEMBROKE ROAD, DUBLIN 4

Applicants should write, enclosing a detailed curriculum vitae to:

North Sea Gas

London based - exceptional salary and prospects

Conoco, an established force in the United Kingdom's oil and gas exploration and production scene, supplies from the Viking Field around 10% of Britain's natural gas requirements, and is gaining a reputation as a pioneer in North Sea oil technology, a prime example being the tension leg platform concept for deep-water oil production planned for the Hutton Field.

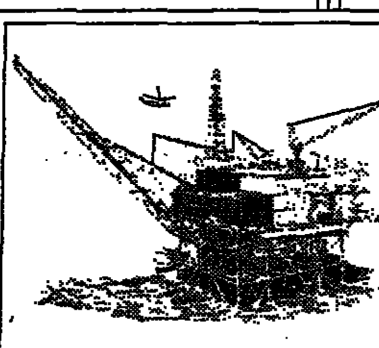
Recognising the achievements in the U.K. to date, we now look forward to expanding our activities—not only in oil field developments, but also in further gas fields developments and in producing the "associated gas" in our North Sea oil fields. Accordingly, a new London-based Gas Contracts Division has been created and we now wish to appoint a qualified and experienced individual capable of making a major contribution to our future strategies.

In conjunction with the Divisional Manager, the successful candidate will be involved in the evaluation, strategic planning and marketing of current and future gas resources. This will, of necessity, involve contract negotiations, as well as the co-ordination of our various North Sea partnership interests, in order to maximise the commercial benefits of our company's natural gas reserves.

We envisage the right person as a professional engineer with 10-15 years experience in the oil/gas/petrochemical industry Recent experience of the European gas and gas liquids market would be advantageous. Alternatively, someone with a business or commercial background in the petroleum industry would be considered. Whatever the background, it is imperative that candidates (male or female) possess entrepreneurial skill, are articulate, capable of selling their own ideas and can demonstrate well developed negotiating abilities.

For the right person, we can offer an extremely attractive salary and benefits package. Where necessary, we will give generous assistance with relocation.

If you have the experience and personal qualities that we are *looking for, please write to* Mr. Steve Brown with a full c.v. or telephone him for an application form quoting reference *REH/10180. Alternatively, if you* would like more information about this vacancy, please telephone **Mr. R. Horley** for a *confidential discussion on* 01-493 1235, extension 3126.
Conoco North Sea Inc.,
Park House, 116 Park Street,
London W1Y 4NN.
Tel: 01-493 1235, ext. 3559.



CONOCO NORTH SEA INC.

Economics Engineers

Are you a Petroleum Engineer with a flair for Financial analysis?

Shell U.K. Exploration and Production in London, require Petroleum Engineers for positions as Senior and Junior Economics Engineers.

To qualify as a candidate for the Senior position you should have either a Technical or Economics degree, and at least 10 years' experience in the Petroleum Engineering discipline. You should be familiar with Economic Project Development Evaluation and Profitability Analysis techniques. Knowledge of computer techniques for carrying out such analysis is essential; familiarity with the U.K. fiscal rules is desirable. Age 35-45.

As a candidate for the Junior position you should have an Engineering or Science degree, and a general Petroleum Engineering background, in which some experience of Economics is desirable. Your role will be to carry out economic analysis of projects connected with Shell Expro's operations in exploring and developing U.K. oil and gas fields. You will be concerned in assessing and evaluating fiscal aspects in relation to negotiations on a variety of Exploration/Development matters. Age 25-35.

It is possible that after a few years in the U.K. you may be offered the opportunity of serving with the Shell Group overseas.

You will be offered an attractive salary in line with your experience, plus a London Allowance. Conditions including pension scheme, varied sports and social amenities and other benefits are first class. Assistance will be given with relocation expenses where appropriate. Please write giving details of qualifications and experience to:

Shell U.K. Exploration and Production UEP/32 (FT), Shell Mex House, Strand, London, WC2R 0DX. Telephone 01-438 4000 Ext. 5001.

Shell

Potential Partners

Northamptonshire **To £10,000 + Car + assistance with relocation**

Rapid and continuous growth of new work in our Northamptonshire group has produced the need for up to ten new partners for audit and special services, and taxation during the next three to four years.

At present, the Northamptonshire group comprises 12 partners and 200 staff, and the new partners will be drawn from our existing staff and from young, highly motivated professionals, probably with an international firm background, joining us as managers in their late 20's, after 4/5 years' post qualifying experience.

Our clients require positive advice over a wide range of professional services. If you would enjoy providing a close personal advisory service allied to the highest professional standards, then write to Chris Chater, Group Managing Partner, Thornton Baker, 42 Headlands, Kettering, NN15 7HR, who will provide you with detailed information on the opportunities within our group.

Kettering
Milton Keynes
Northampton
Rushden
Wellingborough

BANKING APPOINTMENTS

Valuations Clerk £5,500
Age 30+ for City Merchant Bank

Securities Asst. £6,000
Age 30+ for uncharged Intl. securities work for major Intl. Bank

Portfolio Managers to £10,000
For Merchant Bank. Degree essential and Far East exp. pref.

International Audit Good salary
Young person to join team with Intl. Bank. Good banking background essential. European language helpful. Plenty of travel.

Please telephone
01-283 9418
Miss Dalley, V.P.N. Employment,
9 Liverpool Street, London, EC2.

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require a Contract/Accounts Clerk for Private Client depart*ment. Salary negotiable: £4,500* to £5,000 depending on age and experience with bonus scheme and other excellent benefits.

Please contact:
J. E. BROWN
01-588 3622

Sales & Marketing

Specialist metal products — from £10,000

This is an opportunity to develop into a senior role with a very successful and rapidly growing company who has a reputation as a leader in the industry and whose specialist metal products are marketed throughout the world.
The requirement is for a high-calibre individual, aged up to 45, who has a record of success in sales and marketing in an industrial market or whose track record in another management role can demonstrate that he or she will have equal success in this role.
Candidates will be graduates and will almost certainly have experience in the engineering or metal industries. Personal attributes of a high order will be looked for as the person appointed should have potential for considerable development. Salary is negotiable to attract the right candidate + car and other benefits. Location: Scotland.
Ref: SM45/7266/FT.
Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

Qualified Accountants

The Holding Company of a rapidly expanding British International Oil Services Group with Headquarters in Mayfair wishes to strengthen its small Finance Team by appointing two Accountants with several years' post qualifying experience in the British profession, and preferably a sound knowledge of the oil services industry.

The appointments will be in London, with a certain amount of overseas travel as the Group operates in Europe, the Middle East, Asia and North and South America.

The scope of the appointments is extensive, with excellent prospects for advancement.

It is anticipated that the persons appointed will be under 35 years of age.

The conditions and terms of employment will be fully discussed; however, commencing salary will not be less than £12,000 per annum plus fringe benefits.

Please write in strict confidence to Damian Rollo-Walker, Universal McCann, 18 Howland Street, London W1A 1AT, at the same time listing any company or firm you do not wish to approach.

UNIVERSAL McCANN

FOREIGN EXCHANGE DEALER £10,000 p.a.
A medium-sized bank is *seeking a Foreign Exchange Dealer* to join a small team. Experience in major currencies Spot and Froward markets essential, Deposits an advantage. A good opportunity for someone near the beginning or the end of their dealing career.

CHARTERED ACCOUNTANT £10,000
A recently qualified A.C.A. is being sought for the position of Assistant Accountant in an expanding bank. Salary includes bonus and other benefits are available.

SENIOR CREDIT ANALYST £neg.
An International Bank requires an experienced Credit Analyst to supervise the UK Credit area and liaise with its Head Office on U.S. Companies finance.

CREDIT ANALYST £7,500
An opportunity exists in the European Regional Office of the International Asset Finance subsidiary of a major bank. 1-2 years' experience is required preferably with a U.S. bank to assist the Accounts Officer for Europe. Possibility of travel after initial settling-in period.

JUNIOR DEALER £7,000
A young dealer with 2/3 years' experience in multicurrency Spot and Forwards and some exposure in Deposits is urgently required to join a team of 3 dealers.

A.C.I.S. to £6,000
A *career-orientated young person either qualified or studying* is being sought by a City institution at No. 3 in the Secretariat. Emphasis on Administration/Secretarial. Definite progress to the top is indicated.

LJC Banking Appointments
01-283 9953—for an immediate appointment

Financial Controller

c. £15,500 pa + car **Central London**

The Financial Controller of a highly successful manufacturing and contracting division of a *major UK Group has been promoted to a senior General Management position overseas* and we are seeking a replacement.

As part of a small but effective team and reporting to the Chief Executive he/she will be functionally responsible for all financial and accounting matters including close liaison at the most senior level, with subsidiaries and the group, will be expected to make a positive and significant contribution to the Division's overall plans and strategies and have a material involvement in all major acquisition and development projects.

Applicants will be qualified Accountants and graduates, (aged around 35) ideally with M.B.A. or equivalent. At least 4 years experience at senior level in an independent company or a major subsidiary of a large group with overseas subsidiaries is essential. The post demands a high level of technical competence, business acumen and a need for total *commitment which will be evident from the candidate's career history.* Career prospects inherent in the appointment are excellent.

Applications in confidence to B. G. Luxton (Ref: 6487).

Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

هكذا من الأصل

FINANCIAL DIRECTOR (DESIGNATE)

Entrepreneurial Financial Company
Salary circa £20,000

The company is a market leader in its branch of financial services. Although small in numbers of staff and autonomous in its operations, it is a subsidiary of a large and prestigious financial institution.

The task is to join a small marketing orientated management team and to contribute an effective financial viewpoint to marketing and general management decisions. There is also an urgent need to totally revamp the financial function so that it can match some particularly demanding requirements central to the company's operations.

To be considered you must be an FCA or CA, age 35 to 45, who has run successfully an accounts department in a sales orientated or financial company. As important, you must be able to contribute as a full Board Member with the minimum lead-in period.

Your name will not be released until we have briefed you and you have given your consent. To obtain more information please telephone me at our London office.

Terence Hart Dyke,
BDC International,
26 Dorset Street,
London W1M 3FU.
01-487 2621.

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BDC

STERLING BROKERS

KW

We currently have a number of vacancies at senior level for **interbank, local authority and commercial dealers.** We are also looking for a dealer, fluent in French, to link some of our Euro-Sterling centres. Salaries are negotiable and attractive fringe benefits are offered. Please write or telephone:

IAN GARTHWAITE,
MANAGING DIRECTOR
KIRKLAND-WHITTAKER
(STERLING BROKERS) LTD.,
67 CHISWELL STREET,
LONDON EC1Y 4XX
01-638 9354

Group Money Manager

Treasury Management

Central London **To £15,000+car**

A UK based International Group with a turnover in excess of £1 billion seeks a Group Money Manager to be responsible for management of cash, currency and banking, including negotiation of short and medium term loans both in the UK and overseas.

The successful applicant will also be involved in the formulation and review of subsidiaries' financing plans. Preferably a business graduate, he or she must be commercially motivated, have a thorough knowledge of UK and international capital markets, and have the personal qualities necessary to negotiate successfully with bankers and communicate with financial management in the UK and overseas. A degree or relevant professional qualification is required.

Please write in confidence to Robin Gregory, John Courtis & Partners, 78 Wigmore Street, London W1H 9DQ by 1st class mail, giving career details and relevant experience quoting ref. 811/FT.

John Courtis and Partners

Assistant General Manager (Technical)

Minerals London based

BP Minerals International Ltd., in co-operation with associated companies is responsible for the co-ordination and direction of the BP Group's worldwide mineral interests.

We are looking for someone with substantial experience in minerals exploration and production to take responsibility as the senior manager, for the general areas of exploration, mining and metallurgy. In particular, you will manage the areas of minerals exploration, feasibility studies, project development and mining operations.

The successful applicant will already be in a senior managerial position in a major minerals business with experience of both commercial and government negotiations. You must be able to demonstrate a clear understanding of the minerals business and have an awareness of future opportunities.

We would expect you to have at least an Honours or Masters Degree in geology, metallurgy or mining. A sound understanding of current technical developments is essential. It is unlikely that someone with less than 15 years' postqualification experience would be able to meet our requirements.

BP has a strong commitment to minerals development and the salary will reflect our intention to attract a manager of high calibre. In addition to this internationally competitive starting salary, there are other benefits including a car, non-contributory pension scheme and relocation assistance.

Please apply with full details of qualifications and experience to:

The Manager,
Central Recruitment,
The British Petroleum Co. Ltd.,
Britannic House,
Moor Lane,
London EC2Y 9BU.

BP

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Controller

With Board Potential
Industrial Consumer Products
Leeds, c. £15,000 + car

The company is highly successful and serves the needs of major process industries. The position is a new one, it is extremely demanding and the need is for someone who wishes to influence the direction of a successful company. Reporting is to the Chief Executive. Candidates, aged 30/33, must be well educated, possibly graduates and qualified as Chartered Accountants. Their industrial experience will have been gained in Engineering — in companies that are well known for management qualities, who practise good habits and who are surrounded by entrepreneurial thinking. In addition to high technical competence they must currently have managerial responsibility, and interest and involvement in other disciplines, particularly marketing and an enthusiasm for the uses and benefits of computers. Conditions of employment and career prospects are excellent.

J.R. Featherstone, Ref: 12194/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **LEEDS 0532-448661,** *Minerva House, East Parade, LS1 5RX.*

EXECUTIVES

Over £10,000

Today is a good day for making a fresh start.

If your present job lacks:—

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Telephone us now for a cost free assessment meeting and let Europe's most experienced job search organisation *take a hand in your future* – Call

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01-839 2271
140 Grand Buildings,
Trafalgar Square,
London WC2.

INTERNATIONAL INVESTMENT MANAGER

Our client, a leading Merchant Bank, is looking for a Fund Manager in his/her mid-twenties.

The ideal candidate should be a graduate or have relevant qualifications, be capable of communicating well and have sufficient experience to contribute immediately to the firm's business. Ability to work within a relatively small, highly motivated group exercising discretionary management of very large International funds is essential. An interest in Far Eastern markets would be desirable.

The appointment carries an excellent remuneration package with scope for considerable advancement.

For further deails, please contact:

D. W. CLARK, F.C.A., Consultant
quoting 242A

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867
A Badenoch & Clark Group Company

Experienced Investment Analyst

London

£8,200 – £10,200

A major U.K. pension fund requires an experienced investment analyst to join an existing team. The successful candidate will be responsible for representing the fund in meetings with managements as well as preparing written reviews on the fund's holdings in particular sectors.

Candidates should have a professional qualification, and at least 2 years' relevant experience in the research department of a stockbroker's office or an institutional investment department.

A starting salary within the range £8,200 – £10,200 depending on experience, is supported by excellent conditions of employment.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1584.

This appointment is open to men and women.

MSL CONFIDENTIAL RECRUITMENT 17 STRATTON STREET LONDON W1X 6DB

A member of MSL Group International

FINANCIAL CONTROLLER

Coleraine **circa. £12,500 + Car**

Our client, the subsidiary of a quoted group, is a leading aerial survey and *photogrammetric engineering company.*

The company is planning to appoint a Financial Controller who will have overall responsibility for the finance function and in particular the development of management information reporting and control procedures. Reporting to the Managing Director, the successful candidate will be part of the company's management team and therefore involved with all aspects of commercial activity.

Candidates should be qualified accountants, probably in their early 30's who have gained broad experience in industry. They must be self-starters and should have the presence to identify with a young, highly motivated team. Longer term, there are career development prospects within the parent group.

Initial interviews for this appointment will be conducted in both London and Northern Ireland.

For more detailed information and a personal history form, please contact Nigel V. Smith, A.C.A., at 410 Strand, London WC2R 0NS, tel: 01-836 9501, quoting reference 2809.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 121 St. Vincent St., Glasgow G2 5HW (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

DLA

INTERNATIONAL BANKING

ACCOUNTING

£9,000 + benefits

This is a new post with one of the City's more energetically expanding international banks.

Reporting directly to the Chief Accountant, particular responsibility will be the development of an effective accounting function in respect of overseas subsidiaries. This embraces operational bookkeeping through to the production of final accounts and the preparation and review of management information.

An appropriate candidate could be either a recently qualified accountant with some exposure to banking or a banker with sound experience of all aspects of international bank accounting.

As well as challenge and opportunity, the bank naturally offers a remuneration package with all the usual benefits.

Please telephone Ann Costello or John Chiverton, A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row, London, W.C.1.
01-242 5841

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

CHIEF ACCOUNTANT

A city-based international bank seeks a Chartered Accountant to head up its accounting function. Aged between 30–45, the ideal applicant will have several years of proven experience within a banking operation in the city and must have the ability to manage both work flow and staff. The position is at management level reporting to senior management and the board. Salary is well into five figures with excellent benefits.

contact RICHARD MEREDITH on 623-1266

TRAINING OFFICER

Our client, an international bank, wishes to employ a widely-experienced international banker who would be interested in a teaching appointment. This permanent position, at the bank's Academy in central London, is open to candidates aged 35–50 who have experience in, or aptitude for, training a wide range of nationalities at levels ranging from cashiering to management. An attractive salary and benefit package is available to the successful candidate. Salary negotiable.

contact KEN ANDERSON on 623-1266

CORPORATE FINANCE – PARIS

A leading international bank is seeking to increase its Corporate Finance team by the appointment of a qualified banker – M.B.A. or equivalent, with preferably 2–3 years' experience. Ideally aged 28–32 applicants should have sound marketing experience handling private placements and Central Bank and Government requirements. Some travel is involved. A high index-linked salary is offered plus generous relocation expenses. Salary negotiable.

contact ROY WEBB on 623-1266

First floor-entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

EUROPEAN FINANCIAL CONTROLLER

EMA

West London **C. £15,000 + Car**

Working closely with the European General Manager on the establishment of a new head office in London and the further development of the business, the Controller will assume responsibility for the co-ordination of European reporting and the improvement of systems. The analytical and project content of the position will be high and there will be opportunities for European travel.

Our client is a U.S. group manufacturing and marketing specialised medical equipment. European operations generate a turnover of $35 million. Applicants (male or female) should be qualified accountants aged 28–35 with manufacturing experience in an international environment. A degree of fluency in German is a strong preference. Please telephone or write to Stephen Blaney B.Comm., F.C.A. quoting reference I/1954.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

INSTITUTE OF OPHTHALMOLOGY

(University of London)
Judd Street, London, WC1H 9QS

ACCOUNTANT

Applications are invited from appropriately qualified persons with good experience, preferably obtained in the University or Hospital sector, for the post of Accountant. The appointment will date from 1st July, 1980, or as soon as possible thereafter, to allow an introductory period before the retirement of the present Accountant in September, 1980.

Salary from 1st April, 1980, will be within the scale *£8,427* to £10,484 p.a., plus London Allowance of *£740* p.a. (Academic Related Administrative Staff Grade III).

Further information and application form may be obtained from: The Secretary, Institute of Opthalmology Judd St., London WC1H 9QS to whom completed application forms should be sent by 24th March 1980

ACCOUNTANT

FINANCIAL DIRECTOR

£10,000 p.a., company car

This well thriving family owned group of companies with mixed manufacturing and property interests is seeking a vigorous qualified accountant with appropriate commercial experience to (a) manage our small office unit, (b) exercise group financial control and (c) provide general assistance to the M.D. Write confidentially for job description and questionnaire to Joseph Lythgoe. Adam Lythgoe Ltd., Culcheth, Warrington WA3 4NH.

EUROBONDS

Major UK brokers with substantial overseas business seek assistant for Eurobond Department. Some experience in sales or settlement of international securities essential. Position would suit young person seeking to broaden experience in overseas markets. Preferred age 20-26. Languages an advantage —salary will reflect the abilities of the applicant.

Please write with full details to:
Box A.7080, Financial Times
10 Cannon Street, EC4P 4BY

Get in on the Ground-Floor

A chance for young engineers with management potential and practical experience gained with efficient European industrial companies to get in as

Technical Manager

of a motor component supply works to be newly built in Nigeria.

We shall be manufacturing starter batteries for passenger cars, goods vehicles and motor cycles and would like to involve our future senior engineer in the detailed planning now starting at the parent works, at this early stage.

Both product and production know-how are being provided by the parent company. We decide on the selection of plant and machinery and appoint the project management team.

We provide executive training and take over the works management, including both main and sub-divisions, with European staff on a long-term basis.

Production in Nigeria is to start in 1983 with a workforce of around 500.

The European management team will receive contracts with terms that are commensurate with the requirements of the job.

Applicants will be expected to meet the customary requirements of such a job, particularly fluent English and the ability to contact and negotiate with people in business, government and politics.

The successful applicant will be based with the German parent company for a limited period and will therefore be expected to be prepared for a long-term commitment, to take responsibility for the management of construction, the early stages of production and the fully operational plant for a number of years.

The post offers an excellent career basis for young executives.

Candidates will be given an opportunity of carefully examining and assessing the position. For this purpose, we have asked our consultants, Mr. Gerhard Kienbaum and Mr. G. W. Helemann, to give applicants confidential information about the job and the work involved. They can be contacted by telephone at 01049-2261-73033.

Applicants wishing to apply in writing should send their application under reference No. 980 828 to Postfach 310 161, D-5270 Gummersbach 31.

Kienbaum International

Gummersbach, Düsseldorf, Berlin, Bonn, München, Brüssel, Luxemburg, Wien, Zürich, São Paulo, Buenos Aires, Mexico City, San Francisco, New York

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MEMOREX

Memorex is a world-wide high growth, high technology information storage and communication company. As international leaders in our field, no other independent supplier can match our broad range of products. We offer our employees a secure and rewarding career.

Senior Financial Analyst

—Measurements and Analyst

Due to internal promotion, European Headquarters require an Analyst, probably aged around 30, who is looking for career progression and is highly motivated towards advancement to senior management level.

Candidates, ACA or MBA, should have a minimum of 3 years' post-qualification experience, including financial analysis, preferably within a multi-national group. Experience in the computer industry would be an added advantage.

Responsible for the analysis of results of European subsidiaries and recommendations on potential profit improvement areas, the Analyst will be involved in all aspects of financial and management reporting activities and will also undertake special projects. Travel will not exceed 25%.

We offer an attractive salary and excellent benefits including Company pension scheme, free life assurance and BUPA cover.

Write with personal history, or alternatively phone for further information and application form, to Helen Smith, Memorex Europe Limited, Hounslow House, 730 London Road, Hounslow, Middlesex TW3 1PD. 01-572 7391.

MEMOREX

Director

Financial Conferences Division

Our client, part of a broadly based and successful group in the information and communications business, is a leading company specialising in devising and organising conferences on subjects of topical interest. This is a growth business and is profitable.

After a familiarisation period working with the existing Director, who is being promoted, the new Director will be responsible to the Managing Director for the profitable development and extension of the business.

The Financial Division is concerned with tax, investment, property, banking, pensions etc. Candidates will possibly have a background in merchant banking, accountancy, financial journalism or advertising.

The Director must be well-educated and possess a high capacity for independent and creative thinking, an outward-going personality and the ability to motivate and lead a small team.

Age: Probably late 20's to mid 30's.
Remuneration: Substantial with normal large company benefits.

Prospects: Success in this role will be recognised. Other opportunities will become available in the Company and the Group; these could include general management and/or working overseas.

Location: Central London.

Write in strict confidence to the Managing Director, Charles Martin Associates Ltd, Executive Selection Consultants, (Ref. CMA/3712), 23 College Hill, London EC4R 2RT giving summary of career including personal details, positions held and salaries commanded.

CHARLES MARTIN ASSOCIATES LIMITED

Pensions/ Secretarial Manager

Wembley

An international — established British engineering company, with 4,000 UK employees, wishes to appoint a Pensions/Secretarial Manager, reporting to the Director and Company Secretary.

Primary responsibilities will be to lead a small pensions team administering two schemes. In addition the successful candidate will understudy the Director and Company Secretary in the statutory, contractual and insurance aspects of his role.

Candidates should have extensive Pension Managers experience including retirement counselling, as well as experience of the relevant secretarial subjects. Age; preferably 35 to 50.

Remuneration negotiable up to £10,000 p.a. plus a comprehensive benefits package.

Please write – in confidence – to Peter Lewis quoting ref. B.19006.

This appointment is open to men and women.

MSL

United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Corporate Finance Manager- Malaysia

circa £25,000+benefits

Our client, UDA Merchant Bankers Berhad, is a profitable and expanding merchant bank with its head office in Kuala Lumpur, Malaysia. The bank is associated with international banks and provides a wide range of merchant banking services. The bank requires the services of a Corporate Finance Manager for a period of two years.

The successful candidate will report to the Managing Director and will be responsible for managing the corporate finance department. The key tasks will be to supervise local executives and train them in all aspects of corporate finance work. The duties will include the development of operational policies relating to corporate finance, promotion of present activities and, if appropriate, the introduction of new activities.

Candidates must be qualified accountants, economists or lawyers and possess several years experience in all aspects of finance work gained in senior positions with reputable merchant banks. They must have the ability and inclination to guide and train senior staff. It is unlikely that candidates below 38 years of age will have the required maturity.

An attractive compensation package will be negotiated with the right candidate. Benefits will include bonus, furnished accommodation, car, driver and annual leave passage for the family.

Candidates, male or female, can make application by quoting reference MCS/2087 and requesting a personal history form from Ashley S. Phoenix, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY. Completed forms will be treated in strict confidence and will be forwarded to our client through our office in Kuala Lumpur.

Price Waterhouse Associates

INTERNAL AUDIT MANAGER

£8,735 to £11,600 p.a.
+ Staff Mortgage
Sussex Coast

The *Alliance* is one of the largest *national Building* Societies employing almost 2,000 staff at its Head Office in Hove, Sussex, and 180 Branches throughout the country.

As a result of promotion, we are seeking a qualified Accountant who has had management responsibility at a senior level for both systems-based audits and on-line computer systems auditing. The man or woman appointed will be expected to manage an established Department *of 15 staff.*

The salary range appropriate to this position is £8,735 to £11,600 per annum and the starting salary will depend on *previous experience.* This *salary* can be *significantly* supplemented by generous assistance with house purchase, an excellent Pension Scheme, subsidised medical insurance and first class sports and social facilities.

If you are interested, please write for an application form *giving brief details of your age, experience and qualifications* to:—

M. A. NICHOLSON,
Staff Administration
Manager, Alliance Building
Society, Alliance House,
Hove Park, Hove, East
Sussex, BN3 7AZ.

ALLIANCE BUILDING SOCIETY

Pensions Manager

North West

An international trading organisation with diverse U.K. and overseas interests *operates a medium sized contracted out* self administered fund, and the Pensions Department is also engaged in monitoring and administering pensions and provident *funds operated, or in course of* establishment, by overseas Subsidiary and Associated Companies.

Applications are invited for the position of *Pensions Manager from suitably qualified* candidates who have had some years experience in Pension Scheme Management (possibly as Deputy *Manager).*

The successful candidate must be able to demonstrate experience in all aspects of administration (including involvement in the development and implementation of computerised systems), scheme design *and rule drafting. An in-depth knowledge* of U.K. law and practice, actuarial techniques and investment performance measurement is required. He/she must be *able to control and develop relevant* accounting systems and prepare periodic and final accounts and reports.

Ref: M9204/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Norwich Union House, 73-79 King Street, Manchester M2 2JL Tel: 061 236 4531

PA

A member of PA International

C&L

Cayman Islands **US$30,000 tax free**

ACCOUNTANT

For one of the largest law firms in the Cayman Islands, with a substantial volume of offshore corporate work.

Reporting to the Partners, and assisted by a small staff, responsibility will be for the firm's own accounting and financial planning, and for maintaining the records of a number of client investment companies.

The requirement is for a qualified accountant with enthusiasm and the ability to work to tight reporting deadlines. Previous experience of solicitor's accounts, foreign exchange or the management of offshore funds would be particularly helpful. The contract is for 2 years, with the possibility of renewal.

Résumés, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, to E. H. Simpson, Executive Selection Division, Ref. S645 at the address below.

COOPERS & LYBRAND ASSOCIATES LTD.

Management Consultants

Shelley House, Noble Street, London, EC2V 7DQ.

Investment Manager

Henderson Administration, a leading City-based investment management company, growing rapidly in pension fund management, is establishing a new subsidiary company expressly to handle this business. Colin Day, IPFA, ASIA, who heads Henderson's pension fund development is looking for an INVESTMENT MANAGER to work with him in the further expansion of the service in the 1980's.

Henderson's wish *to recruit for this post an* ambitious man or woman with personality, motivation and the ability to communicate at a high level. Formal qualifications should include a good degree or equivalent professional qualification and comprehensive investment management experience.

Henderson has a policy of employing proven managers and the salary offered will reflect this. The post offers excellent long-term prospects. A bonus *incentive scheme, non-contributory* pension, company car and other benefits provide an excellent remuneration package.

Applications giving full details should be sent to: Colin Day, Henderson Administration Limited, 11 Austin Friars, London EC2N 2ED. Tel: 01-588 3622

Henderson Administration Limited

Godsell & Company Limited

Foreign Exchange & Currency Deposit Brokers

INTERNATIONAL MONEY BROKERS

We have vacancies for experienced brokers for our Deutschemark and Swiss Franc Deposit sections.

We also require an experienced broker for our Dollar Deposit team to specialise with Japanese banks.

Reply in confidence to:

J. N. G. Moreton, Joint Managing Director
GODSELL & COMPANY LIMITED
Marlon House, Mark Lane, London EC3M 4AQ
Tel: 01-623 6521

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No.887374

Challenging opportunity for an effective trainer with commercial flair

CJRA

GROUP TRAINING MANAGER

CITY — **To c. £12,500**

LEADING INTERNATIONAL FIRM OF LLOYD'S BROKERS

We invite applications from candidates, aged 26-38, male or female, who will have had a minimum of two years' training experience plus a further two years' line management exposure within a demanding commercial environment. Whilst an insurance background would be desirable, it is by no means essential. The selected applicant, who will control and motivate a team of six people, including two trainers, will report to and work closely with the Personnel Director and be totally responsible for devising, developing and implementing a full range of appropriate technical and managerial training programmes for all staff in the U.K. which number now exceeds 4,000 people. Furthermore, assistance will be given to overseas subsidiary and affiliated companies in the preparation of Audio Visual Aids and Training Programmes where appropriate. A large proportion of travel within the U.K. should be expected. The ability to relate with senior directors and management is an essential part of the task. Qualities must include a high degree of self-motivation, strong communication skills and a practical awareness of operating within a commercial environment. Initial salary negotiable to c. £12,500, plus the full range of benefits to be expected for this senior appointment. Applications in strict confidence under reference GTM12088/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED
35 NEW BROAD STREET, LONDON EC2M 1NH

ST. THOMAS' HOSPITAL
LONDON, S.E.1.

Administrator

The Special Trustees require an Administrator with appropriate experience in the investment and disbursement of large funds. Salary will be in line with the scale for District Administrators in the NHS (currently £15,401 to £17,615, exclusive of London Weighting).

Further particulars may be obtained from the present Administrator, Mr. R. J. Maxwell, who will be leaving in August to become Secretary of the King Edward's Hospital Fund for London. His address is Special Trustees, St. Thomas' Hospital, London SE1 7EH, telephone 01-928 4506.

The closing date for applications is 1st April, 1980.

C&L

Central London — **c. £17,500 + car**

DIRECTOR OF FINANCE

Consultancy Practice

The increasing complexity and challenges of international consultancy have led to the creation of this new position within a leading engineering consultancy.

The Director of Finance, who will have Partner status, will be responsible for the finance and administrative functions and be expected to make a major contribution to the overall management and development of the practice. A key initial task will be to direct the introduction of improved systems for monitoring and controlling project profitability and the firm's overall financial performance.

Candidates should be qualified accountants with substantial experience at a senior level, ideally in international consultancy or in a similar business involving project operations. Preferred age from 40.

Résumés including a daytime telephone number to J. G. Cameron, Executive Selection Division, Ref. C226.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Corporate Profit Planning

C. London — **To £9500**

Our client forms the Headquarters of one of the world's most successful manufacturing and marketing organisations.

As a result of internal promotion, they now require a young Business Analyst for their financial planning department.

You will be closely involved in the analysis and planning of the Group's profits, developing existing systems and computerised financial modelling techniques to provide more sophisticated information for presentation to senior management. You will also input data to the Group Business Plan.

Ideally a young numerate graduate, you should have 3/4 years' experience in a financial analytical role in industry. You may also have all or part of a professional accounting qualification. This position offers broad exposure to the Group's business worldwide, and your prospects are excellent. Please telephone or write quoting ref. RG 3223.

Lloyd Chapman Associates
123 New Bond Street, London W1Y 0HR 01-499 7761

LOOKING FOR BROADER HORIZONS?

We are seeking an additional tax-planner for our office in the City of London (covering the Home Counties)

Requirements (age 21 to 32) with a good knowledge of tax and investment relating to individuals, partners and Close Company directors. The ability to write reports in a lucid manner is essential.

Training and experience may have been obtained in the Trustee Department of a Clearing Bank, with a Life Office or Broker, or in a professional partnership.

A competitive salary is offered, together with a Company car (or car allowance) and other benefits. Please apply in the first instance to the Managing Director, Antony Gibbs Financial Services Limited, Alderman's House, Alderman's Walk, London EC2M 3TQ. Telephone: 01-588 4111.

Antony Gibbs Financial Services Ltd.
A Member of the Antony Gibbs Merchant Banking Group

EXPANDING TRADING COMPANY
FINANCIAL CONTROLLER

London SW1 — **c£11,000 + car**

Our client is a small expanding company involved in trading and related activities. The scale and complexity of this business, and plans for further growth, have now created the scope for the appointment of a Financial Controller.

The successful candidate will work closely with the company's Directors on general management matters in addition to having responsibility for all financial and accounting areas. He will be expected to develop effective management reporting systems and to contribute generally to the company's development.

Candidates, aged around 30, will be qualified accountants with relevant commercial experience and knowledge of the accounting requirements of a small company. They should demonstrate business acumen and the commitment to become involved in a small entrepreneurial environment.

For further information and a personal history form, please contact Mark Scott M.A., A.C.A., or Nigel V. Smith A.C.A., 410 Strand, London WC2R 0NS. tel: 01-836 9501, quoting reference 2797.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

DLA

C&L

Fiji — **to £15,750 + bonus and benefits**

CHIEF FINANCIAL EXECUTIVE

The Fiji Electricity Authority is responsible for the generation and distribution of electricity to 33,000 consumers. It operates 11 diesel power stations and a 40 megawatt hydro-electric station is under construction. Electricity revenue is some £9m and the capital expenditure budget exceeds £19m.

Reporting to the General Manager, the Chief Financial Executive will be responsible for the control and supervision of all aspects of the Authority's finances.

The requirement is for a qualified accountant with experience at a senior level in a large industrial, commercial or government undertaking. A sound knowledge of computer based systems is mandatory and previous experience of the electricity industry or of arranging finance internationally would be an advantage.

The salary is payable in Fijian dollars and is negotiable within the approximate range £13,100-£15,750 at current exchange rates. A house and car are provided, and there will be a ten per cent bonus paid on completion of the two or three year contract.

Resumes, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, to E. H. Simpson, Executive Selection Division, Ref. SF648 at the address below.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Hanson Trust Limited

requires a

Deputy Financial Comptroller

to assist the small team based at the head office in London where he or she will obtain a thorough introduction and understanding of the company's operations and management philosophy.

Hanson Trust has increased profits from £100,000 to £31 million over the past 15 years and is committed to a continuation of this growth both organically and by acquisition in this country and abroad. The position, therefore, offers enormous scope for an ambitious and energetic accountant with many opportunities for further career advancement.

The successful applicant will be a chartered accountant, about 30, with a good academic background and progressive experience in practice and industry.

A substantial salary in excess of £10,000 p.a. will be paid and generous fringe benefits, including car, are available.

Application should be made to:—

The Financial Director,
HANSON TRUST LIMITED,
180 Brompton Road,
London SW3 1HF.

Securities Clerk

As one of the major American international banks our European Headquarters are based in London. Primary activities in the UK are in the commercial and merchant banking sectors.

We require a Clerk in our Securities Department to handle clearance of, and account for, multi-currency transactions, including Eurobonds, Euro CD's International Stocks, Shares and Currency Deposits, undertaken by customers of our Investment Department.

Candidates should have several years' experience in Securities and have acquired knowledge of portfolio valuations and custodian accounting preferably within an International or Merchant Bank.

In addition to a competitive salary, fringe benefits include mortgage and personal loans at reduced rates of interest, non-contributory pension scheme and subsidised restaurant.

Please send detailed c.v. or telephone for an application form to: Ann Forde Turpin, Personnel Department, Continental Illinois Corporation, Continental Bank House, 162 Queen Victoria Street, London EC4. Tel: 01-236 7444.

CONTINENTAL BANK
Continental Illinois National Bank & Trust Co. of Chicago

SPOT DEALER

A well established European bank in the City requires a Spot Dealer with around 2 to 3 years experience in all currencies.
Age: mid to late 20s — Salary: Circa £10,000

LOANS NEGOTIATOR

An established Merchant Bank has an excellent opportunity for a young ambitious person to become a Loans Negotiator. If you are a graduate and either A.I.B., LLB or A.C.A., with previous negotiating experience in Loans or Credit, and are willing to take on responsibility at an early age.
Age: mid 20s — Salary: up to £8,500

ACCOUNTS/FINANCIAL CONTROL

A stable American Bank seeks an Assistant to the Accountant. Duties would include responsibility for monthly returns, statistics, budgeting, management reporting and daily accounting procedures. Previous Bank accounting experience is essential.
Age: 25/30 — Salary: up to £6,750

BSB Banking Appointments
115-117 Cannon Street, London EC4N 5AX Telephone 01-623 7317 & 01-623 9161
Recruitment Consultants

Head of Consumer Products Marketing

The Company intends to develop and diversify its consumer products marketing worldwide from a significant base of existing business. This new senior appointment is a business building role which will have major effects on the *Company's future.*

A dynamic strategist will lead the team which will identify, plan, design and develop growth opportunities.

The position demands mature and substantial marketing achievement in proprietary pharmaceuticals or in fast moving consumer goods.

Reporting to the Director of Consumer Products Marketing, this appointment offers excellent and unusual career prospects. Salary and benefits will be very attractive.

Please write with brief details to: J. L. Muncey, The Boots Company Ltd., *Head Office, Nottingham NG2 3AA.*

Financial Controller

An established industrial group holding company, specialising in the smaller, medium size business sector, is embarking on a period of future development and expansion and wishes to recruit an experienced qualified accountant as financial controller.

The successful candidate will report to the Financial Director and be responsible for the co-ordination and preparation of group management and statutory accounts, budgetary control, *cash management, taxation and certain administrative* duties. Applicants should only apply if they have industrial financial experience, the personal ability to liaise successfully with Financial Directors of the subsidiary companies and an appetite for hard work.

This is a unique opportunity to join an experienced but small team and offers challenging and exciting prospects.

Salary negotiable, but not less than £10,000 p.a.

Location: London/South East.

Write Box A7073, Financial Times, 10 Cannon St., EC4P 4BY.

OPERATIONAL AUDITORS

Based W.Surrey & Lancs — c.£12,000+car

Applications are invited from qualified Accountants, male or female, 30/40, having sound technical accounting experience combined with an understanding of modern business objectives, policies and systems acquired, ideally, in a senior line management appointment with a manufacturing company.

Reporting to the Chief Operational Auditor, you will be responsible for reviewing the soundness of Group accounting, financial and operating controls, ascertaining the reliability of management *information including that produced* by computer and appraising the quality of executive performance in carrying out their responsibilities, making positive recommendations for operating improvements.

The Company is a major UK public Group having widespread interests in manufacturing and service industries in the UK and overseas, now wishing to strengthen their Operational Audit function with the object of increasing Group profitability by improved management control.

A considerable amount of travel will be involved and a knowledge of German would be an advantage. In addition to the basic salary indicated, a generous remuneration package includes a profit-based bonus.

Please write briefly or telephone for an application form, quoting reference: 685

Management Personnel
Recruitment Selection & Advertising Consultants
York House Chertsey Street Guildford Surrey
GUILDFORD (0483) 64857

INTERNATIONAL BANKING

CREDIT ANALYSIS — **to £7,000**
Well-established consortium bank seeks young banker with sound Credit training and experience, together with the capacity to accept increasing responsibility.

EUROCURRENCY LOANS ADMIN. — **c. £6,000**
This is an opportunity for a capable young person to extend *his/her experience in the management and control* of a wide ranging Eurocurrency loans portfolio.

FOREIGN EXCH. "BACK-UP" (3) — **£4,500-£6,000**
Excellent career opportunities exist with at least 3 expanding international banks for bright youngsters with 1-3 years solid "back-up" *experience.*

MANAGEMENT ACCOUNTING — **to £6,000**
Prominent City bank offers unusually wide and varied interest to a young banker with skills and aptitude in management accounting and reporting.

Please telephone **Ann Costello or John Chiverton A.I.B.**

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row, London, W.C.1.
01-242 5841

Financial Controller/ Company Secretary

c. £12,000 pa — **City**

for Dean & Wood (London) Limited, a wholesale distributor of industrial refrigeration equipment. A Chartered Accountant is required, male or female, to be responsible to the Managing Director for the accounting and secretarial functions and allied administration. A successful record of achievement in commerce or industry, a good knowledge of EDP and managerial ability is essential.

Applications in confidence to Brian Luxton (Ref. 6490).

mh **Mervyn Hughes Group**
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Project Manager-Invoicing Systems

London, c.£11,500 + car

This is a position within the HQ of a major multinational, currently rationalising its computerised systems which support the major business activities *throughout its operating companies*. The successful candidate will be responsible for the development and implementation of an International Invoicing System related to the control, sales and leasing arrangements of product configurations often with complex pricing tariffs. Ideally applicants will be graduates and aged under 35 with at least 3 years managerial experience of systems specification and implementation within a Billing/Invoicing function. Career prospects for a good performer are excellent as is the benefits package.

N.P.S. Lilley. Ref: 22186/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Financial Executive and Managerial Positions

We now need staff in the following areas:

International Financing
An executive with at least two years experience of negotiating documentation of international syndicated bank credits or Eurobond issues. The successful candidate is likely to have a good knowledge of French or Spanish and be aged between 25 and 40.

Settlements
A Manager to take charge of all our Settlements operations. The successful candidate will be closely involved in the design and implementation of our Computerised systems and must therefore have had previous experience of this aspect. He/she will have already been in charge of a Settlements department, will have an intimate knowledge of all aspects of Eurobond and Money Market Settlement procedures and is likely to have a relevant qualification.

Applicants should write, including details of previous experience to:
Miss M. Catt,
Swiss Bank Corporation (International) ltd.,
99 Gresham Street, London EC2 P2BR.

Swiss Bank Corporation (International) Ltd.

INTERNATIONAL BANKING

F.R.N. Salesperson—Hong Kong

Age 25+ c. $40,000

Major International Bank seek fully experienced Salesperson with proven track record to join their successful Hong Kong operation. This superb opportunity carries a full range of benefits.

Please contact, in confidence, Mark Stevens

Credit Officer

for wholly-owned subsidiary of US Bank, to deal with asset-financing documentation etc.
Age 25-30 c. £7,500
Please contact Brian Durham

Eurobond Sett's Clerk

with at least 18 months exp. embracing both Euroclear and Cedel to join leading US Bank.
Age 21+ c. £5,500
Please contact David Clark

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

Top Executives

If you are finding your talents wasted – we can help.

In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results.

After evaluating your full potential we direct you through every stage of the 'job search', furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

INVESTMENT PORTFOLIO MANAGEMENT

GULF LOCATION

We are a growing equity-oriented investment company located in the Gulf and are seeking qualified individuals to fill the following positions. Advanced degree in economics or finance required for both positions.

Equity Portfolio Manager—Minimum of five years' experience managing U.S., UK and European equities. Recent experience must include work at managerial level. Compensation package will provide a tax-free salary in the £25,000 to £30,000 range with commensurate fringe benefits.

Investment Analyst—Minimum of three to five years' experience handling U.S., UK and international equities. Compensation package will provide a tax-free salary in the £12,000 to £15,000 range with commensurate fringe benefits.

If you feel your career could benefit by a foreign posting and you would like the challenge of joining our growing team we encourage you to send your curriculum vitae to us without delay. Respond to:

Box A.7079, Financial Times
10 Cannon Street, EC4P 4BY

Financial Controller
MIDDLE EAST

BAHRAIN **From £12,000**

A well established construction and house building group based in Ireland with a number of associate operations in the Middle East wishes to recruit a qualified and experienced accountant as Financial Controller (based in Bahrain) to co-ordinate the work of company accountants in each operating area.

The successful candidate will be responsible to the Group Financial Controller in Dublin, and to local line management, for the entire area's accounting and finance function, including day to day accounting, monthly management reports, budgets, cash estimates, ensuring the use of uniform group systems and providing guidance to staff in each area, with particular emphasis on the control of material and labour costs. Systems are essentially simple and periodic local travel will be involved together with the administration of the Bahrain office.

The remuneration package comprises a basic salary negotiable from £12,000 per annum plus terminal bonus, free accommodation and car, home trips and medical insurance. There is no local taxation.

Applicants should write in strict confidence, giving full details of previous experience, to:-

D A Cody Esq
Finance Director
McInerney Properties Limited
Bluebell Dublin 12
Ireland.

McInerney

Investment Analyst

£6,435 – £8,225 p.a.

The Electricity Council wish to appoint an analyst in their Investment Branch which has responsibility for the investment of the funds of the Electricity Supply Industry's Superannuation Schemes. The current value of these funds is about £1,400 million.

Investment analysts are responsible for keeping under close review the various sectors within a substantial portfolio of ordinary stocks and shares: assessing detailed studies of industries and companies, vetting company accounts and *monitoring stock market price performance*.

The analysts are required to make specific investment recommendations whilst also assisting in the general administration of the investments, and preparing *occasional reports on a wide range of related investment* matters.

The man or woman we are now seeking to join the investment team will have a sound knowledge of economics and investment principles and will already have practical experience of share analysis within the Investment Industry.

Please write in confidence giving details of age, career to date and present salary quoting F/21 to:–

Duncan Ross, Recruitment & Development Officer.
The Electricity Council,
30 Millbank, London SW1P 4RD.

ELECTRICITY COUNCIL

QS BANKING RECRUITMENT CONSULTANTS

A.V.P. Credit Marketing Officer
to £12,000
(5 years experience in banking, preferably Spanish speaking with an Economics Degree)

A.V.P. Accounts Officer
to £12,000
(with fluent French and good credit skills)

Auditor (A.I.B. or A.C.A.)
to £7,500
(24-27, with French or Spanish)

Please contact:
Mike Pope or
Sheila Anketell-Jones
01-236 0731
30-31 Queen Street, EC4

Managing Director
c. £15,000

Required for a growing, well established Nursing Agency, a subsidiary of a substantial world wide health care company.

The successful candidate, male or female, will need to demonstrate strong marketing and commercial achievement, together with considerable personal ambition and the necessary drive and enthusiasm to lead a small team through the next important stage of consolidation and further growth.

The rewards for the right person will include a starting salary of c.£15,000, together with an incentive geared to accrued profits generated from new business. In addition the range of fringe benefits are those to be expected from a progressive company. Ample capital is available for development purposes.

If you have the relevant experience and enjoy a dynamic environment that rewards high performance, then please write initially without delay with full career details to Position Number AVM 7662, Austin Knight Limited, London W1A 1DS.

AK

EUROBOND DEALER

required by French private bank, a leading market maker. Aged late 20s early 30s. Good experience (3-5 years) of the secondary market. Position is Paris-based. Fluent French preferred.

Write in complete confidence to Box A7084
Financial Times, 10 Cannon Street, EC4P 4BY

Financial Controller
Herts. Neg. from £12,000 + car.

This is a key *appointment with a long established and* privately owned family publishing business.

The successful candidate will join a small enthusiastic management team and play an important role in the future growth of the company. Responsibility is for all aspects of the company's financial affairs and it will be necessary to institute and sustain significant innovation and improvement in the group's accounting performance.

Candidates, 38-50, should be CMA's, CCA's or CA's with a knowledge of computerisation and the ability to communicate easily with non financial people.

For an application form telephone 01-248 6113, or write to Neville Mills, Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD, quoting reference no. 361LL.

Peat, Marwick, Mitchell & Co.

Group Chief Accountant

High Wycombe from £12,000 + car

This company is an autonomous division of a large UK public company with *international interests. Due to an internal* promotion the position of Group Chief Accountant has become available. Reporting to the Group Finance Director, the Group Chief Accountant is responsible for the control and development of the group reporting procedures. Candidates probably aged 30-35 will be qualified accountants currently holding a senior position in a manufacturing company and able to demonstrate experience of financial, cost and management accounting. The position is likely to appeal to someone wishing to develop his/her career in a progressive group, where strong control and reporting disciplines with the use of EDP techniques are paramount. *Ref: W4958/FT*

Replies will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874.

A member of PA International

BUSINESS ANALYST

Up to £10,000

A publicly quoted Financial Services Group also having interests in retailing and industrial distribution, has created an attractive new position within its Group Finance team.

The position reports to the Corporate Development Manager and will be responsible for carrying out economic studies, preparing market reports and investigating acquisition proposals. In addition, the Business Analyst will be encouraged to contribute creative ideas on business development and marketing strategies.

Ideal candidates, aged in their mid to late 20s would have a degree in Economics or Business Studies, or similar professional qualification, three to four years experience preferably as a Business Analyst in finance or commerce and possess good communication skills both verbal and written.

The position offers good career openings in a group with considerable growth potential.

Replies containing comprehensive career details, and quoting reference M16/FT will be forwarded to our client. Covering letters addressed to the Security Manager listing companies to whom your application should not be passed will be intercepted and your instructions noted.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

SENIOR TRAFFIC MANAGER
Metal Exchange experience

Slick traffic is vital to the continuing growth of my client's multinational dealing activities.

The high starting salary will reflect the importance attached to this function. Some travel to overseas offices is needed.

As my client says "come GROW with us!"—but first *telephone L. Glover, 01-248 1511, in strict confidence.*

ADVERTISING APPOINTMENTS
Rate £19.50
per Single Column
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SENIOR MANAGEMENT CONSULTANTS
DATA PROCESSING PLANNING

Nolan, Norton & Company, Inc. is the leading consulting firm in the United States specialising in the management of the data processing function. Our rapidly expanding base of European business has led to plans for the establishment of a London office. We are seeking several senior management consultants with a combination of administrative and data processing background *to form the core of our London office.* You will have the opportunity to work with the senior management of the largest U.S. domestic and multi-national companies in addressing strategic issues related to data processing.

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Internal Audit c£9,500 International Container Transport

Overseas Containers Limited, a world leader in international container transport with a turnover in excess of £350m., is now seeking a qualified accountant to be in at the start of the development of a successful internal audit function to eventually cover all aspects of the activities in this major Company. Some travel, initially within the U.K., would be involved.

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2.—CAMPUS BURSAR IN THE BURSAR'S DEPARTMENT. Applicants must possess a good first degree, recognised accountancy qualification, membership in a recognised accountancy body and must have had wide and reasonably long experience as a financial head of an academic institution or a large organisation. The appointee will be responsible for the organisation of the finance office of the campus and execution of the University's financial policies at campus level.

Salary scales: Financial Controller: Salary is in the top executive bracket *and is likely to be in range K8.616-*K9.135 pa (professional level) but might possibly be as high as K13.800 pa. Bursar: Salary is likely to be range K8.232-K8.616 pa (Associate Professorial level). (£1 sterling = K1.78.) The British Government may provide salary supplementation in range £4.800-£8.802 pa (sterling) (reviewed annually and normally tax free) and associated benefits. Superannuation or gratuity; housing; family passages; baggage allowance; overseas leave. Detailed applications (2 copies) including curriculum vitae and naming 3 referees, should be sent by air mail to the Registrar, University of Zambia, PO Box 2379, Lusaka, Zambia by 9 April 1980. Applicants resident in UK should also send 1 copy to Inter-University Council, 90/91 Tottenham Court Road, London W1P 0DT. Further particulars are obtainable from either *address.*

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COMPANY NOTICES

To holders of 5% Debentures 1978—1987 of THE DEAD SEA WORKS LIMITED

Notice is hereby given that at the drawing held on 28th day of February 1980 under the supervision of the Trustees, Debentures of Group 6 were drawn for redemption on the 31st day of March 1980. Repayment to the holders of Bearer Certificates of this Group will be *made* by The Dead Sea Works Ltd. against presentation of Debenture certificate(s) and interest coupons No. 14 to No. 20, both numbers inclusive, to Bank Leumi le-Israel BM, P.O. Box 2, Tel Aviv, Israel. Repayment to the holders of registered certificates of this Group will be made by *The Dead Sea Works Ltd., upon receipt by them of the* certificate(s) at P.O. Box 29452, Tel Aviv, Israel.

Bank Leumi le-Israel Trust Company Ltd. as Trustees.

PUBLIC NOTICES

EXETER CITY COUNCIL BILLS
£300,000 bills issued 5th March 1980 due 4th June 1980 at 16³⁄₁₆%. Applications totalled £1,800,000. £300,000 bills are outstanding.

SOLIHULL METROPOLITAN BOROUGH
£3m bills due on 4th June 1980 were offered on 6th March 1980 and were allocated at a rate of 16³⁄₁₆%. Applications totalled £24.5m. This issue will bring the total of bills outstanding to £4m.

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For further information, in the first instance, telephone Christopher D. Stock or Michele Saich on 01-481 8111.

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LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967

HARRIS & RIFKIN LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required *on or before the 10th day* of April 1980, to send their names and addresses and the particulars of their debts or claims, and the names and *addresses of their Solicitors if any,* to Philip Monjack, FCA, of 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required *by notice in* writing from the said Liquidator, are by their Solicitors, or personally, to come in and prove their said debts or claims at such time and place as shall be *specified* in such notice, or in *default* thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 28th *day of February 1980.*
P. MONJACK, Liquidator.

IN THE MATTER OF THE COMPANIES ACT, 1948 AND IN THE MATTER OF W. H. MANION LIMITED
Registered Office: 33, Clifford's Inn, *Fetter Lane, London, E.C.4.*

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, *1948, that a MEETING of the CREDITORS* of the above-named Company will be held at 33, Clifford's Inn, Fetter Lane, London, E.C.4, on 11th March 1980 at 11.30 a.m. for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 28th day of February 1980.
By Order of the Board,
W. H. MANION, Director.

THE COUNTRYWIDE SOCIAL CLUB DISCOUNTS LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the creditors of Countrywide Social Club Discounts Limited, will be held at the offices of Leonard Curtis & Co., situated at *3/4* Bentinck Street, London W1A 3BA, on Monday the 17th day of March 1980 at 12 o'clock midday, for the *purposes provided for* in Sections 294 and 295.

Dated this 29th day of February 1980.
R. J. FORCEY, Director.

No. 00665 of 1980

In the HIGH COURT OF JUSTICE, Chancery Division Mr. Registrar Bradburn. In the Matter of THE HEAVITREE BREWERY, LIMITED, and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that by an Order dated the 22nd February 1980 made in the above matters the Court has directed separate Meetings to be convened of the holders of (i) the 6 per cent. "A" Preference Shares of £6 each (ii) the 6 per cent. "A" Preference Shares of £5 each (iii) the Non-Cumulative Participating "B" *Preference* Shares of 25p each (iv) the Ordinary Shares and (v) the "A" Ordinary Shares respectively of the above-named Company *(hereinafter called "the Company")* for the purpose of considering and if thought fit approving (with or without modification) a Scheme of *Arrangement proposed to be made* between the Company and its said respective classes of Shares and that such Meetings will be held at The *Exeter Room, Countess Wear Lodge,* 398 Topsham Road, Exeter on Friday the 28th day of March 1980 at the respective times below mentioned, *namely:*

(i) the Meeting of the holders of the 6 *per cent.* "A" Preference Shares of £6 each at 11.35 a.m. (or so soon thereafter as the Annual General Meeting of the Company convened for the same day and place shall have been concluded or *adjourned*);

(ii) the Meeting of the holders of the 6 per cent. "A" Preference Shares of £5 each at 11.40 a.m. (or so soon thereafter as the preceding *Meeting shall have been concluded* or adjourned);

(iii) the Meeting of the holders of the Non-Cumulative Participating "B" Preference Shares of 25p each at 11.45 a.m. (or so soon thereafter as the *preceding* Meeting shall have been concluded or adjourned);

(iv) the Meeting of the holders of the Ordinary Shares of £1 each at 11.50 a.m. (or so soon thereafter as the preceding Meeting shall have been concluded *or* adjourned): and

(v) the Meeting of the *holders* of the "A" Ordinary Shares *of* £1 each at 11.55 a.m. (or so soon there*after as the preceding* Meeting shall have been concluded or adjourned):

at which place and respective times all the aforesaid Shareholders are requested to attend.

ANY person entitled to attend the *said* Meetings can obtain copies of the said Scheme of Arrangement, forms *of Proxy and copies of the* Statement required to be furnished pursuant to Section 207 of the above *mentioned* Act at the Registered Office of the Company situate at 16 Church Street, Heavitree, Exeter and at the offices of the under mentioned Solicitors at the address mentioned below during usual business hours on any day (other than a Satur*day or Sunday) prior to the day* appointed for the said Meetings.

THE said Shareholders may vote in person at such of the said Meetings as they are entitled to attend or they may appoint another person, whether a Member of the Company or not as their proxy to attend and vote in their stead.

IT is requested that forms *appointing* proxies be lodged *with the Registrar* of the Company, The Heavitree Brewery, Limited, 16 Church Street, Heavitree, Exeter, not less than 48 hours before *the time appointed for the said Meet*ings, but if forms are not lodged they may be handed to the Chairman at the Meeting at which they are to be used.

IN the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and *for this purpose seniority will be deter*mined by the order in which the names stand in the Register of Members of the Company.

BY the said Order the Court has appointed William Parnell Tucker or failing him Raymond Charles Price to act as Chairman of each of the said Meetings and has directed the Chair*man to report the results thereof to* the Court.

THE said Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated the 5th day of March, 1980.
LINKLATERS & PAINES (ARob.),
Barrington House,
59/67 Gresham Street,
London EC2V 7JA.
Solicitors for the Company.

CONTRACTS AND TENDERS

PAPUA NEW GUINEA ELECTRICITY COMMISSION

TENDER No. 52-79

Tenders are invited by the Commission for the design, manufacture, supply and delivery, *excluding erection of Power* Transformers.

Tender documents and specifications are available from the Supplies and Transport Division, Commission's Head Office, P.O. Box 1105, Boroko, on payment *of K50.00 document charge. This* amount will be refunded after receipt of a Bona-Fide Tender.

Tenders will close at 2.30 p.m., Tuesday, 3rd June, 1980, at the Commission's Head Office, Okari Street, Boroko, Papua New Guinea.

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COMPANY NOTICES

ELDER SMITH GOLDSBROUGH MORT LIMITED

NOTICE IS HEREBY GIVEN that the Board of Directors has declared an Interim Dividend of 5 per cent being 5 cents per share on the Paid Up Capital of the Company, *payable on* 5th May 1980.

The Registers of Members and Transfer Books will close at 5.00 p.m. on 28th March 1980, for the purpose of determining entitlements to the Interim Dividend.

By Order of the Board,
C. E. PARKEN, Secretary.

ADELAIDE,
4th March 1980.

G. B. KENT & SONS LIMITED

NOTICE IS HEREBY GIVEN that the Share Transfer Books of the Company will be closed from 17th to 21st March 1980, both dates inclusive.

By Order *of the* Board,
E. A. NEWMAN,
Director & Secretary.

24 Old Bond Street,
London W1X 4AB.
4th March 1980.

EURINVEST
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NOTICE OF DIVIDEND

For the year ended 29th February 1980 a dividend of Lux Francs 56 per share payable from 17th March 1980 against presentation of coupon No. 19. The shares were traded ex dividend on 3rd March 1980.

Until the 17th June 1980 this dividend may be reinvested into new shares at a discount of 2½% on the issue *price* prevailing at the time of lodgement of the coupons.

Holders resident in the United Kingdom may obtain the *distribution* by lodging Coupon No. 19 at the offices of Kleinwort, Benson Ltd., 20 Fenchurch Street, London EC3P 3DB.

SWISS BANK CORPORATION

NOTICE IS HEREBY GIVEN that the 108th Annual General Meeting will be held in the Foire Suisse d'Echantillons, "Festsaal," Messeplatz, Basle, on Tuesday, 25th March, 1980, at 3 p.m. to receive the Directors' Report and the Balance Sheet and the Auditors' Report for the year 1979, to consider and approve these Reports, to pass Resolutions regarding the allocation of profits, to declare a dividend and to consider the issue of 726,000 new bearer shares and 756,822 *new registered* shares of SFr. 100 nominal, at a price to be decided by the Board of Directors, to existing shareholders in the proportion of one new bearer share or registered share for every ten bearer or registered shares held and ranking for dividend from 1st January 1980. Authority will also be sought for the issue of 250,000 new bearer shares and 250,000 new registered shares of SFr. 100 nominal, to be issued at par to guarantee two further convertible loans and for the *amendment of Articles 4 (1) and 32 (6)* of the Articles of Association. To approve *a* further issue of 360,000 bearer participation units of SFr. 100 nominal, at a price to be decided by the Board of Directors, to existing holders in the pro*portion of one new participation unit for* every ten held and ranking for dividend from 1st January 1980. *Further* authority will be sought for the additional issue of a maximum of 1,600,000 participation units of SFr 100 nominal; no preferential *subscription rights to existing unit-holders,* to elect members of the Board of Directors and Auditors.

Holders of bearer shares can obtain admission cards and proxy forms from the London Office, 99, Gresham Street, London EC2P 2BR, or *from any other branch* of the Corporation against deposit of the share certificates (or of an approved bankers' Certificate of Custody) not later than Wednesday, 19th March 1980. The relevant shares must remain so deposited *until after the General Meeting. Registered* shareholders will receive these items direct. No new entries will be made on the share register between the 1st and 25th March. The Balance Sheet and Profit and Loss Account for the year ended 31st December 1979, will be obtainable *at* all branches of the Corporation in Switzerland as from the 14th March 1980.

Basle,
4th March 1980.

SALES BY AUCTION

Renseignements et catalogues illustrés:

Me Claude NAVILLE	Me Jean CHRISTIN
Huissier Judiciaire	Huissier Judiciaire
Rue de la Fontaine 2	Place des Eaux-Vives 8
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Samedi, 8 Mars, 1980 de 10 à 17 heures
Dimanche, 9 Mars, 1980 de 10 à 17 heures
Lundi, 10 Mars, 1980 de 9 à 15 heures

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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qtr.	110.4	103.3	110	111.7	273.0	1,340	230
1979							
1st qtr.	109.7	102.2	98	110.1	276.5	1,351	234
2nd qtr.	115.3	107.6	104	116.6	297.5	1,299	256
3rd qtr.	113.3	103.1	100	109.9	300.6	1,269	247
4th qtr.	112.7	103.8		112.4	314.8	1,286	230
Sept.	111.3	100.4	96	109.8	302.4	1,264	243
Oct.	112.2	103.0	98	111.3	309.6	1,282	237
Nov.	114.0	105.4	110	113.6	317.5	1,282	234
Dec.	111.9	103.1		112.4	316.9	1,294	219
1980							
Jan.						1,339	207
Feb.						1,383	191

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	106.1	97.4	124.0	97.3	99.0	102.4	20.3
1979							
1st qtr.	105.5	99.0	126.5	98.5	98.6	99.1	12.9
2nd qtr.	109.1	103.2	133.7	102.9	110.6	103.6	21.3
3rd qtr.	105.6	95.7	132.8	94.8	104.9	100.7	20.7
4th qtr.	105.4	99.3	130.3	98.1	98.3	96.9	18.2
August	105.0	94.0	131.0	93.0	93.0	99.0	18.3
Sept.	104.0	92.0	131.0	89.0	107.0	103.0	21.2
Oct.	104.0	97.0	131.0	96.0	100.0	98.0	20.9
Nov.	107.0	101.0	132.0	100.0	100.0	97.0	19.2
Dec.	105.0	99.0	128.0	98.0	95.0	95.0	14.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
4th qtr.	122.5	112.9	−206	+447	−458	106.5	15.77
1979							
1st qtr.	109.0	116.9	−1,588	−1,216	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−379	−229	106.4	21.69
3rd qtr.	129.8	128.1	−493	−307	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−595	−158	103.7	22.54
Oct.	124.7	129.7	−418	−368	− 95	104.4	22.49
Nov.	131.8	125.8	− 75	− 25	+ 28	104.1	22.42
Dec.	131.3	131.2	−252	−202	− 91	102.6	22.72
1980							
Jan.	130.1	128.9	−346	−296	− 74	100.5	23.71
Feb.							23.93

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,704	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,407	933	1,879	14
4th qtr.	5.1	12.7	16.2	+3,053	839	1,953	17
Oct.	15.5	15.2	14.6	+1,565	544	663	14
Nov.	6.5	13.4	19.1	+1,243	134	698	17
Dec.	5.1	12.7	16.2	+ 245	161	592	17
1980							
Jan.	− 8.1	8.9	22.6	+ 522	235		17
Feb.							17

INFLATION—*Indices of earnings (Jan. 1976=100)*; basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	182.1	183.1	237.6	237.2	295.13	68.8
Sept.	153.6	172.5	178.2	233.2	232.6	301.66	69.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec.	165.0	187.4	183.3	239.4	239.9	295.13	69.7
1980							
Jan.		193.3	187.9	245.3	244.8	308.69	71.4
Feb.						304.27	73.2

* Not seasonally adjusted.

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

The futurologists have had a field day. But in market planning terms, the key is to distinguish between blithe guesswork and legitimate forecasting.

Trends in consumer markets

I KNEW IT. Just as advertising and marketing departments were getting to grips with the growing importance of the 45-to-64-year-old market — known in the U.S. as the "oldsters" or "maturity" market — someone was bound to cast a speculative eye at the other end of the spectrum and conclude that in the 1980s, advertisers and their agencies may find themselves up against the phenomenon of "child power" — child power, or CP, being to the 1980s what the social and economic emancipation of adolescents was to the 1960s and '70s.

If I were a marketeer, I *wouldn't be too worried by the* prospect of child power. On the other hand, as Robert Tyrrell recently pointed out, it goes almost without saying that a fundamental step for any *forecaster* is first to understand the past so as to determine which underlying trends are holding steady, growing in significance, or beginning to fade away.

Mr. Tyrrell is the senior analyst at the Henley Centre *for Forecasting. In the latest* issue of Henley's quarterly publication, Planning Consumer Markets, he offers a review of the social and economic changes of the decade just passed, the aim being to help market planners in this country determine the pace at which those changes took place, and to provide a frame of reference for examining probable patterns of consumer attitudes and behaviour *over the next 10 years.*

During the 1970s, the UK population fell for the first time since records began, and probably for the first time since the 14th century. The fall was small, but whereas total numbers at the start and end of the decade were pretty much the same, large shifts occurred in specific groups and segments.

There are now almost 1m *fewer children of pre-school age* than at the start of the 1970s, whereas the number of 16-to-24-year-olds has grown by approximately 750,000. Households are *smaller—one-person households* increased from 17 per cent to 24 per cent of the total over the decade—and there were significant increases in the rates of divorce, illegitimate births and abortion.

People are working fewer hours and taking longer holidays. The percentage of wholly unemployed has risen dramatically, and while manufacturing *employment fell* by almost 1m over the decade, service industry employment rose by 1.5m.

Between 1970 and 1979, average weekly TV viewing rose *by about an hour;* holidays taken abroad rose from 7m to 9m, and participation in some leisure activities boomed. Serious criminal offences known to the police rose by more than 1m, to nearly 2.75m, leading to a significant increase in household insurance premia.

More cheerfully, we were *physically healthier,* better educated and a little more longer lived. On the other hand, we suffer more from mental illness and are taking more prescribed drugs.

For consumers, says Mr. *Tyrrell, the 1970s* were years of violent swings and changes. "1973 and 1978 were years during which there were literally unprecedented in*creases in real spending power* . . . similarly, 1975-76 was a period of unprecedented fall in consumers' real income. However, at the end of the decade, purchasing power was almost 30 per cent higher than at the beginning." Such was the increase, he says, that many were at a loss to know what to do with it, and decided to save it (saving as a proportion of PDI rose from 9 per cent in 1970 to *almost 17 per cent in 1979, he* says).

Stocks of wealth increased in other ways. Home ownership rose, and so did ownership of a wide range of durables. The table shows how the *volume* of consumer spending changed over *the decade—that is, eliminating* the effect of price changes. Naturally, relative price movements and so-called price elasticities have a definite impact, but changing social values and preferences play a part, too.

Food now plays a smaller *role in the volume of consumption* than at the beginning of the decade. The same is true of tobacco, housing, books, magazines, catering, insurance and other services. Areas of consumption that were conspicuously in fashion over the *decade include alcohol, durables* (particularly cars and radio and electrical goods) entertainment and recreation.

According to Mr. Tyrrell: "It is important to emphasise that some fairly large changes in spending patterns can take place *over a fairly short space of time.* This should serve as a salu*tary reminder to expect at least* the possibility of similarly large swings in consumption in the 1980s."

The most important single *trend of the '70s, says Mr.* Tyrrell, was the growing enhancement of the role of women in social and economic life. Comparing 1970 with 1979, the percentage of married women at work as a percentage of the total rose from 40 to 57 per cent, while the median gross weekly earnings of female employees as a percentage of male rose from 53 to 65 per cent.

When it comes to the 1980s, Mr. Tyrrell says it is at least possible to glean some of their general characteristics, a cautious approach that makes a welcome change to the blithe outpourings of the futurologists and forecasters which only a few weeks ago marked the turn of the decade.

For a start, the decade is unlikely to see any dramatic increase in numbers in the UK, *though* important changes in age structure will occur. Work and leisure will take on very *different complexions,* and the "informal economy," estimates Mr. Tyrrell, may have taken over perhaps one-quarter of total productive activity by the *end of the decade.*

Technological advances promise a host of new products and services in the entertainment, recreation and educational fields, though those who have extra leisure time involuntarily thrust upon them by way *of unemployment* will undoubtedly grow in number.

Crime may grow worse, while the biomedical revolution could dramtically affect mental and physical welfare (not always for the best). Social class differences will remain a feature of *the British way of life, says Mr.* Tyrrell; at the same time, the new decade could well see the arrival of "polyocracies," groups defying traditional social *and economic classifications* whose memberships find common cause around a single issue.

Some of the more obvious growth areas over the next decade will be wines and spirits, fuels, private transport, radio, *electrical and electronic goods,* communications, meals out, entertainment and recreation services, DIY products and gardening implements and materials.

At the same time, says Mr. Tyrrell, looking at spending *patterns in an indiscriminate* and aggregate fashion can conceal important changes. This is particularly so in the case of a decade when the technological impact on the consumer will be so great, and when chemical and biological advances will *produce important product spin-offs.*

"Child power" aside, it seems that the only way marketeers can get ready for the 1980s is to combine mastery of current trends with a refusal to be overawed by preoccupations of the moment. *It will not be easy.*

CONSUMER SPENDING AT 1975 PRICES

(% of total spending on selected categories)

	1970	1979
Food	20.9	18.3
Bread and cereals	2.8	2.2
Meat	6.0	5.2
Dairy products	2.6	2.3
Alcoholic drink	6.4	8.2
Beer	3.9	4.2
Spirits	1.5	2.4
Wines, etc.	1.0	1.7
Tobacco	4.7	4.0
Housing	14.6	14.2
Fuel and light	4.8	4.6
Clothing	8.0	8.2
Durables	6.9	9.0
Motor vehicles	2.9	3.9
Furniture, etc.	2.3	2.3
Radio and electrical goods	1.7	2.8
Books, newspapers, magazines	1.7	1.4
Chemists' goods	1.4	1.5
Running costs of motor vehicles	5.8	6.3
Travel	3.3	3.1
Rail	0.8	0.7
Communication services	1.2	1.6
Postal	0.5	0.3
Telephone and telegraph	0.7	1.3
Entertainment and recreation	1.4	2.2
Catering, insurance and other services	12.8	11.0
Spending abroad	1.5	1.6

Mustard—why the fire went out

IN A MOVE to rock the dinner plates of England, Colman Foods has switched its mustard advertising from J. Walter Thompson to Collett *Dickenson* Pearce. *This* means an end to the extrovert JWT campaign, of which the Punch-and-Judy poster pictured above was the latest *example.*

The JWT theme—"C'mon Colman's, light my fire"—was unveiled in June, 1978, when startled mustard lovers were assailed by a poster showing a scantily-clad model on a tiger skin.

***Ever since, the campaign* has fuelled controversy, and there have been complaints to the Advertising Standards Authority. In a violent attack on the latest poster, Len Weinreich, creative director at the Wasey Campbell-Ewald agency, *claimed it* was a "travesty." "It is irrelevant, while nudging and leering in an unseemly way that helps neither the product nor the brand."**

Mark Foster, marketing director of Colman's food and *wine division, said the main* consideration behind the move was a wish to balance the budgets of the three Colman agencies, JWT, CDP and FCB. JWT retains more than £2m worth of Colman's business, including the cas*seroles, dry sauce mixes and* the recently-launched Colman's Indian Curry Mix range.

"After the tremendous im*pact* of the first 'Fire' poster, there was a feeling that the campaign never quite *scaled the same heights* again," he said. "There is no question of a reduction in sales being an explanation for the change. We simply wanted some fresh thinking."

The brand's MEAL-type *spend in the year to last December 30 was £302,000.*

Harp win puts ABM in sight of £50m target

THE AGENCY tussle for the £2.5m Harp lager account has been settled in favour of Allen, *Brady and Marsh, which won* the account in a four-way pitch against three other major London agencies, J. Walter Thompson, Saatchi and Saatchi Garland-Compton, and Lintas.

ABM, which describes itself as Europe's fastest-growing agency, has current annualised billings of £45m.

Chairman Peter Marsh said last year that ABM's concentration on a relatively small but highly select client list would be maintained up to, and *beyond, the £50m billings mark.*

Lager sales currently account for approximately 29 per cent of the *total beer market. Harp* said yesterday that the brand would continue to be positioned as a mainstream, standard-priced lager.

The Harp consortium was reorganised last October. Arthur Guinness now holds 70 per cent of the equity. Greene King & Sons has 20 per cent and *Wolverhampton & Dudley* Breweries the remaining 10 per cent.

Courage and Scottish and Newcastle Breweries dropped *out of the consortium, but con*tinue to brew and sell Harp under licence.

The Harp account was previously with Ayer Barker Hegemann.

The gain more than fills the gap at ABM caused by the departure last year of the £1.5m Whitbread business. ABM also parted company last year with the BAT State Express 555 account, but in a remarkable growth surge, gains included the whole of the British Rail account (£6m), Midland Bank (£3m), Jeyes UK (£750,000), Southern Electricity (£750,00), Taylor Woodrow (£500,000), the Provincial Building Society (£500,000) and Domecq (£400,000).

The agency is currently ranked tenth biggest in Britain.

● **PHILIPS VIDEO** is spending £1.4m on television via Wasey Campbell-Ewald to promote its colour TVs, black-and-white portables, video cassette recorders and TV games. The company says it popularised the News at Ten commercial break last year, but that from next month it will take a more flexible approach to bookings. According to the agency: "*Television contractors this* year demanded excessive premiums for the spot and, with recent rate card increases, made fixed spot airtime buying, for us, highly questionable."

Peter Marsh, chairman of ABM

● **GORDON PROCTOR & PARTNERS** is to handle the £1m account for the new Philips Business Systems Division. The agency won the *Philips* corporate account seven years ago and now handles approximately £2.5m of Philips business.

● **THIRD EDITION** of the British Code of Sales Promotion Practice will be published next Wednesday.

Microcomputer gain for GRC

GRANDFIELD RORK COLLINS, the agency formed last summer by three former McCann-Erickson directors, has added on three accounts which, together with Spar, take billing to approximately £3.4m.

The accounts are QI Europe, a new *company owned jointly* by the National Enterprise Board and the QI Corporation of the U.S., RAC Motoring Services, and Pork Farms.

The founding partners in what is one of London's newest agencies are Nigel Grandfield, former chairman of McCann in London, Andy Rork, a former McCann creative director, and Graeme Collins, formerly managing director of the now-*revamped McCann subsidiary,* Harrison McCann.

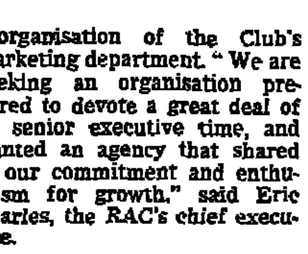
QI is one of the U.S. leaders in microcomputers, and is in the process of establishing re*search and manufacturing faci*lities in Britain.

According to the agency: "The market potential for multifunction microcomputers is enormous, and there is no doubt that we and QI can develop together. There are many *unique features which will en*able QI to become leaders in the UK's rapidly expanding market. The National Enterprise Board's involvement reflects the excellence of QI's product philosophy."

QI's potential, says Mr. Grand*field, "dwarfs most consumer* goods markets."

Pork Farms specialises in premium quality meat products. Following success in the Midlands, it is developing its marketing effort in the London area as a preface to expansion in other areas. Grandfield Rork says it was chosen from a list *of 15 other agencies.* According to Mr. Grandfield: "It must surely be unusual for an agency as new as we are to be appointed to a well-respected consumer food account."

The agency's appointment by RAC Motoring Services follows reorganisation of the Club's marketing department. "We are seeking an organisation prepared to devote a great deal of its senior executive time, and wanted an agency that shared in our commitment and enthusiasm for growth," said Eric Charles, the RAC's chief executive.



Nigel Grandfield

MARKETING APPOINTMENTS

LOMBARD

Bicycle racks and the free market

BY JOHN LLOYD

PROFESSOR Milton Friedman likes to illustrate his argument against intervention in the free market with practical examples—traders in a New York market, workers in a Hong Kong sweat shop and the like. Here is a dissenting view to the Professor's based on the real-life story of the Financial Times bicycle rack.

A word on its pre-history. Before its appearance some 12 months ago, there was a free market in bicycle parking at the FT. Cycles could be chained up in a railed enclosure at one corner of the curiously shaped building which houses this paper; much of the space was pre-empted by motorbikes, however, and the amount of railing to which a cycle could be chained was limited. Further, a rain shower ensured a sodden saddle and a rash of instant rust, the risk of losing pumps, lamps or even wheels was high.

Sabotage

The alternative was to find a space in the underground bay of the paper, used for unloading newsprint and other supplies in the day and for loading copies into vans at night. The bay also has space for a dozen cars and vans, and has a pen at one end for messengers' motor-bikes.

The only remotely convenient area—because it contained a rail to which the cycles could be chained—was the motor-bike pen. The messengers, however, guarded their pen privileges jealously: their duties demanded frequent and rapid access to the pen, and they were at times hampered by carelessly parked cycles. Warning placards were left on cycles found in the pen, and minor, covert acts of sabotage were practised by both parties. Bad blood thickened.

A clearsighted colleague, then appropriately enough a member of the economics staff, took it upon himself to cut the knot. He waged a one-man campaign to establish a bicycle rack, skilfully deploying arguments of convenience, health and employee satisfaction. An enlightened management recognised their force and established a 20-space rack.

The effects of this intervention have justified its progenitor's enthusiasm. The cycle population of the FT rose from a miserable and cowed half dozen to at least 20, all proud to be pedallers. Discussion of bicycle types and techniques displaced M3 as the subject of light banter round the coffee machines.

Were all the purchases stimulated by this infrastructural subsidy all imports? Not a bit of it: a straw poll revealed British bikes holding their own, though a precise count is rendered impossible by the presence of a massive machine, in the possession of a senior member of the foreign staff, so old that all distinguishing marks have been eroded.

Have the beneficiaries degenerated into spineless scroungers, forever whining for more privileges? On the contrary: they are independent spirits, with strapping thighs and a free gaze, who heartily address their punier colleagues on the joys of exercise. No measurement of their relative productivity has been made, but it would be certain to show results to their advantage.

Truth demands, however, that the presence of a sharp division of opinion among the foremost thinkers on the paper be admitted. The hawks, though unable to deny the rack's success, nevertheless maintain that it is no more interventionist than the provision of a road network, which they agree—at least for the moment—should be the duty of the central authority.

Imaginative

We on the wet side of the house reject this sour and narrow view. First, we say that the rack cannot be compared to a road network since it is an adjunct to it—the road network was there in the bad old days, as it is now. A more exact comparison would be the provision of free car parking (which we do not advocate) with the resulting and certain stimulation to car purchases.

Second, and more tellingly, we argue that the rack intervention was a strategic and imaginative one, successfully achieving the objectives of greater health, productivity and satisfaction, together with that of administering a welcome boost to manufacturing industry. Even more virtuously, it is environmentally impeccable and it saves energy. It has also removed a source of industrial discontent.

Over to you, Professor.

The case for whisky price differentials

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

LAST WEEK'S series of judgments which condemned fiscal and other discriminations practised against Scotch whisky in Denmark, France, Italy and Ireland, has cleared the decks for the appeal of the Distillers Company* against the EEC Commission's decision of December 20, 1977, prohibiting the system of double prices—lower for Scotch to be consumed in the UK, higher for exporters to interesting issues.

The appeal, in which Mr. Advocate-General Jean-Pierre Warner will deliver his opinion next week, raises a number of interesting issues.

The story began when, in 1973, Distillers notified the Commission of their conditions of sale in the UK seeking exemption under Article 85 (3) of the EEC Treaty for certain restrictive practices, of which the most important was that their trade customers and their subsequent purchasers were not allowed to export their whisky from the UK. As was to be expected, the Commission was not ready to grant such an exemption, and in 1975 Distillers revised their conditions, striking out the export prohibition as far as the EEC was concerned.

Instead, they issued (and submitted to the Commission) a circular letter to their UK customers introducing various allowances and discounts applicable only to whisky destined for consumption in the UK. Customers wishing to buy for export were told that they must indicate such an intention on the order, and they would then be invoiced at the gross price. There was a sanction against those who disobeyed: such customers, if caught, would in future be supplied only at the gross price.

The difference was a substantial one, reaching as much as £6.45 on a case of 12 bottles in March 1977, when the gross price of Johnnie Walker Red Label was £13.51 for a dozen. UK trade customers paid at that time only between £5.35 and £7.06 for whiskies of various qualities.

But not all of the whisky bought at the cheaper domestic price was, in fact, consumed in Britain — the cheaper UK whisky trickled abroad. Distillers looked for evidence, and obtained it when they found in French and Belgian supermarkets some of the whisky bought from them at the lower domestic price by A. Bulloch and Co. and related companies in Glasgow. They asked them to pay the difference and refused to sell them any more whisky except at the gross price.

Bulloch complained to the EEC Commission, starting an investigation which resulted in the decision of December 20, 1977. It will be recalled that Distillers reacted by withdrawing certain brands from the market and raising the UK price of the remainder.

The first issue with which the European Court will have to deal is the Commission's contention that Distillers, when asking for an exemption under Article 85 (3), made no reference to the price terms. This, in the Commission's view, made the notification incomplete and in itself precluded the granting of an exemption. If this argument — rejected by Distillers — is accepted by the court, there will be no need to go into the merits of the dispute. Such a solution would be, indeed, an easy way out of more difficult issues.

The main issue therefore concerns the purpose of the differential price terms adopted by Distillers. The Commission said that their object was to partition the common market, and to prevent consumers in the other member states from enjoying the lower prices reserved for British consumers. The system was operated, according to the Commission, as to ensure "the protection of sole distributors in continental member states against parallel exports at the UK price."

Distillers argue that their price terms have quite a different objective. In the UK drinking habits make it possible to dispense with costly promotion, while five of the largest UK customers, three of them brewers, take over 40 per cent of the domestic sales, and accordingly exercise a great pressure on the price. By contrast, in all the continental countries, with the exception of Belgium, whisky must compete with local traditional drinks.

According to Distillers, their sole distributors in those countries spend approximately £5 per case in promotional activities, and this is the difference which is added to the UK domestic price when selling to parallel exporters to prevent them from undercutting the sole distributors and "riding on their back" without spending anything on promotion.

The Commission questions the commercial wisdom of relying on sole distributors for the promotion of whisky, when the same distributors are also selling the better-established local spirits with which Distillers wish to compete. The Commission is also sorry for the continental drinkers who have to pay more for their whisky than the UK drinkers, while Distillers insist that the promotional expense which leads to the higher price is for the benefit of the consumer who is taught to acquire a taste for whisky.

The dispute about the merits of Distillers' case is accompanied by the background music of numerous complaints that the Commission failed to stick to the correct procedure when reaching its decision. In particular Distillers object that they were never shown the complaint by Bulloch and associates which started the ball rolling. Instead of deleting only commercially sensitive data, the Commission presented Distillers with a heavily "censored" version, arguing that it was not obliged to show more than that part of the complaint on which it acted, and not the other part—on which it did not act—alleging Distillers abused their market power. Moreover, Distillers were acquainted with the full text of the complaint during the appeal proceedings (as it was attached to the interveners' submission), and it seems that the Commission was going to rely on the court's ruling in the Hoffman-La Roche vitamins case**: on that occasion the court said that the procedural failings of the Commission might be remedied during the appeal hearings in the court.

That ruling has been greatly criticised, also in this column, as a denial of a proper hearing and an unfair advantage for the Commission. In a judgment† handed down last month, the court increased the advantage of the Commission even further when it rejected a claim from the French Government that a rectification of certain procedural shortcomings made after its application for the annulment of the Commission's decision cannot be taken into account.

On this occasion the court said: "As regards the relevance of subsequent rectification, it should be observed that in the context of an application for annulment under Article 173 of the Treaty the legality of the contested measure must be assessed on the basis of the elements of fact and of law existing at the time when the measure was adopted." Though this ruling was made to help the Commission, if it is true that what is good for the goose is good for the gander, it should also benefit Distillers. This, at least, they claimed during the appeal hearings, arguing that the court, by this later decision, had reversed its disliked Hoffman-La Roche ruling.

* *European Court, Luxembourg—Case No. 30/78.*
** *Ditto—Case No. 85/76 (ELL March, 1979).*
† *Ditto—Case Nos. 15 & 16/76 unreported.*

Herr Capitan is put on trial

RACING

BY DOMINIC WIGAN

JIM OLD trains a smart recruit to the ranks of young hurdlers in Herr Capitan and I shall be interested to see if this bay Lombard colt can earn himself a tilt at the Daily Express Triumph Hurdle by winning at Wincanton this afternoon.

Herr Capitan, winner of the Arksey Handicap on the flat at Doncaster early last summer when trained by Clive Brittain, justified stable confidence on his only previous appearance over the minor obstacles. Backed from 8-1 to 7-2 for a division of the Maiden Hurdle February 21, the four-year-old beat North Yard by four lengths, with the remainder well strung out.

Although the winning margin would have been smaller but for a mistake by the runner-up at the final flight, Herr Capitan quickened to such effect on the run-in that there is little reason to doubt the merit of his performance.

Herr Capitan, at present a 50-1 chance for the Daily Express race, runs at Wincanton in preference to the closing event at Stratford. It will be a surprise if he fails to enhance his Cheltenham prospects now that both Cheka and Dakar have been pulled out.

In the first race, the Broadstone Handicap Chase, over two miles, it seems certain that El Cardo will make a bold bid to repeat his success of a year ago in the same event. Mrs. Kennard's consistent 10-year-old, bidding for a fifth win at Wincanton, has been on the go throughout the campaign. Nevertheless, he continues to remain in fine fettle, and put up a particularly creditable performance in the Fonthill Chase over today's trip at the last meeting here.

On that occasion El Cardo ran on to finish three lengths behind Professor Plum, who was completing a treble following a victory on this course and at Sandown.

With nothing of Professor Plum's ability in opposition, El Cardo can confirm his Fonthill Chase superiority over top weight Tsuru, which finished six lengths behind him then and looks to have little chance of reversing the placings on identical terms.

WINCANTON
2.00—El Cardo**
2.30—King's Honour
3.00—Arctic Princess
3.30—Cheers*
4.00—Van Hagen
4.30—Herr Capitan***

STRATFORD
2.15—Tidal Wave
2.45—Henlow Gamble
3.15—Swing Through
3.45—Gulvain
4.15—Heighway
4.45—Pamkins Hart
5.15—Saracen Prince

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Bojan. 4.25 Jackanory. 4.40 Star Turn. 5.05 John Craven's Newsround. 5.10 Blue Peter.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.50 Lennie and Jerry.
8.25 Sweet Nothings.
9.00 News.
9.25 Play for Today.
11.00 News Headlines.
11.02 Question Time.
12.02 am Weather / Regional News.

All Regions as BBC1 except as follows:

Wales—2.15-2.35 pm I Ysgolion. 5.55-6.20 Wales Today. 6.55-7.25 Heddiw. 11.00 News Headlines. 11.02 Glas y dorlan. 11.32 Parting Shots from Animals. 12.22 am News and Weather for Wales.

Scotland—10.10-10.30 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.00 News Headlines. 11.02 Current Account. 11.32 Parting Shots from Animals. 12.22 am News and Weather for Scotland.

Northern Ireland — 11.30-11.50 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.20 Sportsweek in Northern Ireland. 12.02 Weathermen. 12.04 Tomorrow's World. 12.29 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School (as BBC1 3.55 pm).
4.50 pm Open University.
†5.40 Flash Gordon.
6.00 The Magic of a Dartmoor Wood.
6.30 Bowls: Embassy World Indoor Championship Final.
7.15 Mid-Evening News.
7.25 Newsweek: Arts on the Cheap?
8.00 It's Patently Obvious.
8.30 Public School.
9.00 Holocaust.
10.50 Newsnight.
11.30 Closedown, reading.

LONDON

9.30 am Schools Programmes. 12.00 Toppers Tales. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 The Spoils of War. 3.45 How's Your Father? 4.15 Salvage 1. 5.15 White Light.
5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Looks Familiar.
7.30 The Jim Davidson Show.
8.00 Armchair Thriller.
8.30 TV Eye.
9.00 Chief of Detectives.
10.00 News.
10.30 Thames Report.
11.00 Lou Grant.
12.00 What the Papers Say.
12.15 am Close: Rita Tushingham reads poems by Roger McGough.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.45 Houseparty. 3.15 Firehouse. 3.45 Looks Familiar. 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 10.30 International Darts Matchplay. 11.00 Doctor's Private Lives. 11.55 Thought for Women's World Day of Prayer.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 3.45 Looks Familiar. 4.15 Windows. 4.20 Fangface. 4.50 The Life and Times of Grizzly Adams. 6.00 ATV Today. 7.00 Emmerdale Farm. 10.30 Format V. 11.10 ATV Newsdesk. 11.15 Lou Grant.

BORDER

1.20 pm Border News. 2.45 Houseparty. 3.15 Out of Town. 3.45 Looks Familiar. 4.15 Thursday Matinee: "A Message To My Daughter." 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 10.30 Fireside Theatre. 11.30 Soap. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and weather. 3.45 Looks Familiar. 4.18 Off On A Comet. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Target The Impossible. 10.28 Channel Late News. 10.36 Soap. 11.06 Untamed World. 11.25 The Thursday Film: "The Conection." 12.40 am News and weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News Headlines. 3.45 Looks Familiar. 4.15 Little House on the Prairie. 5.10 Mork and Mindy. 5.40 Police News. 6.00 North Tonight and area weather forecast. 7.00 The Electric Theatre Show. 10.30 Soap. 11.00 Luke's Kingdom. 12.00 Reflections. 12.05 am Water: The Hazardous Necessity. 12.30 North Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 2.00 After Noon Plus. 3.45 The Amazing World of Kreskin. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Mork and Mindy. 10.30 Celebration. 11.00 What The Papers Say. 11.20 Snooker Classic. 11.55 George Hamilton IV.

HTV

1.20 pm Report West Headlines. 3.45 Looks Familiar. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm. 10.35 Father Mine. 11.20 Luke's Kingdom. 12.10 am George Hamilton IV.

HTV Cymru/Wales—As HTV West/HTV General Service except: 9.52-10.07 am Am Gymru. 10.48-11.03 Mwy Neu Lai. 12.0-12.10 Ffalabalam. 1.20 pm Penawdau Newyddion y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoontime. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.35-11.20 The Music Cupboard.

SCOTTISH

1.20 pm News and road and weather. 3.45 Looks Familiar. 4.15 Larry the Lamb. 4.25 Little House on the Prairie. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 7.00 Take The High Road. 10.30 Sounds Gaelic. 11.00 Inside Business. 11.30 Late Call. 11.35 Mannix.

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.15 How's Your Father? 3.45 Looks Familiar 4.15 Project UFO. 5.10 Cartoon Time. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 Southern News Extra. 10.35 People Rule! 11.05 Southsport Squash.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 3.45 Looks Familiar. 4.15 The Lost Islands. 4.45 You Can Make It. 5.15 Wilkie in Winter. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 Superstar Profile. 11.00 North East News Headlines. 11.05 Soap. 11.35 Tandarra. 12.35 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.45 Looks Familiar. 4.13 Ulster News Headlines. 4.15 Little House on the Prairie. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster weather. 10.30 Counterpoint. 11.15 Family. 12.10 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 3.45 Looks Familiar. 4.15 Gus Honeybun's Birthdays. 4.18 Off on a Comet. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Westward Report. 10.32 Westward Late News. 10.36 Soap. 11.05 Politics West. 11.25 The Thursday Film: "The Conection." 12.40 am Faith for Life. 12.45 West Country weather and shipping forecast.

YORKSHIRE

1.20 pm Calendar News. 3.45 Looks Familiar. 4.15 Fangface. 4.45 Salvage 1. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 10.30 With a Little Help. 11.00 Luke's Kingdom. 12.00 The Mary Tyler More Show.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92.95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.0 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles at the Ideal Home Exhibition. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S). 7.32 Ray Moore (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S). 6.03 John Dunn (S). 8.02 Country Club (S). 9.02 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.02 Windsor Davies Presents . . . 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Brahms (S). 10.00 Music at Harewood House: Harpsichord recital, part 1 (S). 10.35 Interval Reading. 10.40 Recital, part 2. 11.10 Spanish Songs (S). 11.55 Midday Concert (S). 1.00 pm News. 1.05 Bristol Lunch-Time Concert (S). 2.00 EBU International Quartet Competition (S). 3.20 Scandinavian Choral Music (S). 4.10 London Studio Strings (S). 4.55 News. 5.00 Mainly for Pleasure (S) (‡ and mono only from 6.20). 7.00 Talking About Music (S). 7.30 "Troilus and Cressida," by Shakespeare (S) including 9.05-9.20 Nikos Skalkottas on record. 11.00 Building a Library of records (S). 11.25 La Bonne Chanson: Fauré's song-cycle (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 6.40-7.00 pm Open University.

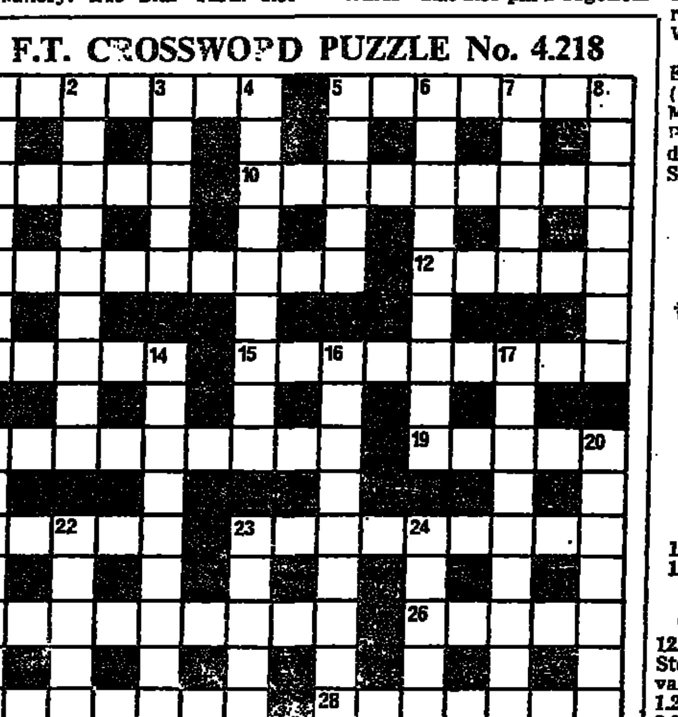
RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 Parent Power. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 Analysis. 11.50 Through My Window with Dr. A. L. Rowse. 12.00 News. 12.02 pm You and Yours. 12.27 Detective. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre. 4.15 Any Answers? 4.45 Short Story. 5.00 PM: News. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1980 (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse (S). 7.30 BBC Northern Symphony Orchestra, part 1: Mendelssohn, Berlioz (S). 8.15 Geoffrey Moorhouse Revisits . . . 8.35 BBC Northern SO, part 2: Beethoven (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 John Toogood's Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

F.T. CROSSWORD PUZZLE No. 4,218



ACROSS

1 Empty display (4, 3)
5 Month to get round peculiar decency (7)
9 Girl given a Northern Ireland thank you (5)
10 Discover how to start smoking with no backing (5, 4)
11 Boldness one solicitor uses to meet the situation (4, 2, 3)
12 Crowd round student English composer (5)
13 Third-class revolutionary ought to have beliefs (5)
15 Follow band going round ministerial badge of office (3, 6)
18 Fashion names conclude agreement (4, 5)
19 Unusual spurt may be needed by painter (5)
21 Religious teacher in plain clothes (5)
23 Railway worker directing traffic (9)
25 Richard at first was one with courage (4-5)
26 Herb joins your old-fashioned first person (5)
27 Withdraw because of slight injury (7)
28 Modesty brought to book (7)

DOWN

1 Trade in cars (7)
2 Artist restrained by ticket for future use (4, 5)
3 All right a letter from Greece going to animal? (5)
4 A difficult one for the High Commission (4, 5)
5 Understand it is between 0 and 9 (5)
6 Ruthless implement for would-be cheeky smoothie (9)
7 Salesman the Spanish turn back (5)
8 Watch regularly over performance in motor needing repair (7)
14 Dismissed trendy invitation to confess (3, 4, 2)
16 Fuel more suitable to chap servicing central heating (3, 6)
17 Uncommon chap might meet alternative leading citizen (4, 5)
18 Indistinct words coming to a head near Swansea (7)
20 Frank is after joining the engineers (7)
22 Left 4 without fine meal (5)
23 Inform on beautiful girl (5)
24 Roman emperor finding little bird useless (5)

Solution to Puzzle No. 4,217

F	I	G	H	T	S	H	Y		B	A	L	L	A	D
A		E		H		O				T		O		I
C	A	N	O	O	D	L	E		D	O	I	N	G	S
A		I		R		L		M		N		G		C
D	R	A	W	N	G	A	M	E		E	A	S	E	L
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			C	H	I	D		H	E	I	N	O	U	S
F		D		E						M		T		E
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I		M		V		C		I				F		I
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D		L		P		O		F		W		R		V
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THE ARTS

Cottesloe

The Iceman Cometh by B. A. YOUNG

In the two main plots and two of the sub-plots of O'Neill's vast play, men reject the women they are bound to. Hickey, the messianic salesman whose attempt to bring "real peace" to the drunken habitués of a low-life bar, kills his Evelyn. (You might sub-title the play "Death of a Salesman's Wife.") Don Parritt has shopped his anarchist mother for $200. Harry Hope, owner of the bar, reveals after 20 years as a loving widower that he thought his wife was an old bitch. And Chuck, the barman-cum-pimp who decides to marry his woman Cora and farm in New Jersey, puts her back to work on what should have been their wedding day because she badgers him for sherry flips.

In anyone's else's hands these events could have been comfortably contained in two hours and a half, but O'Neill was well into his giant stage, and the play usually runs about four hours and a quarter. (*Bill Bryden's* production at the Cottesloe is extended by putting a half-hour supper-interval after Act Two. No need, surely? We are happy enough to spend four hours with *Figaro* or *Rosenkavalier* unrefreshed, unless we have the Glyndebourne gardens to refresh ourselves in.) Its length is not due to depth of characterisation so much as thickness of texture. During rehearsals for its first production, a check was made on the number of times the phrase "the lie of a pipe dream" was repeated in the script. It was 18. O'Neill was unmoved; "I *intended* it to be repeated 18 times," he said firmly.

There are 11 dead-beats at Harry Hope's, plus two pimp-bartenders and three tarts. Certainly O'Neill etches them sharply enough, even if eight of them are little more than stereotypes; starting the evening with a daunting panorama of drunks in a line that O'Neill hoped would suggest Leonardo's *Last Supper*, one soon knows them all as individuals, even if this is only because they are given just a single characteristic apiece.

Four characters are drawn in some detail. Harry, who is to be given a 60th birthday party, is as drunk as most of his customers; J. G. Devlin looks nearer 80 than 60, and hardly emerges from the general ruck. Larry, a disillusioned anarchist, is given most of the philosophic lines (he is known to the gang as "the grandstand foolosopher," which must be from O'Neill's youthful memories), and Niall Toibin, grey and shaggy-bearded, invests him with a patina of importance hard to come by when all he must do is sit in a corner and keep adrift from the world. Kevin McNally plays young Don Parritt as a bespectacled intellectual whose sufferings of conscience are expressed largely in whines of one kind or another. Then, after *over an hour of playing*, there is Hickey.

Jack Shepherd, made up to look like O'Neill, hits off the laughing, drinking, back-slapping good-time boy beautifully, but with one fault. I never felt for a moment that he was a man to make a party go. He seems to me about as clubbable as Parkinson or Eamonn Andrews. In the last act, though, where this quality matters less, he is immensely good, keeping his long, passionate speech about his relationship with his wife interesting from beginning to end, which is no light feat.

The director is handicapped by a very shallow stage, so he always has this line of a dozen characters stretched across it and what happens behind them has to fight for attention. He also seems to have trouble in disposing of the spare characters that fill the stage while *others are speaking*; *there is* too often a touch of Madame Tussaud. Hayden Griffin, who designed this long, narrow bar, has kept it improbably clean and tidy, especially as he hasn't furnished it with any spittoons; and someone must be taken to task for giving these down-and-outs such well-shod feet.

Among the dead-beats, Tony Haygarth stands out as Kalmar, another retired anarchist. It is a shame that he virtually has only one line, but he repeats that at least 18 times, and gives pleasure each time.

All eyes focus on Jack Shepherd as the Iceman

Leonard Burt

Coliseum

Sphinx by CLEMENT CRISP

The encounter between *Oedipus and the Sphinx* above Thebes is an incident still thrilling in its drama. It was the basis for a magnificent ballet by David Lichine, *La Rencontre*, which featured Jean Babilée and Leslie Caron in a grand Berard setting of ropes and platforms 30 years ago. Now Glen Tetley's version, newly staged by Festival Ballet, and based upon Cocteau's adaptation of the legend—*La Machine Infernale*—*makes the same sure* theatrical capital of Oedipus' answering the great riddle of what goes on three legs, two legs, four legs.

Rouben Ter-Arutunian's setting is a winged platform for the sphinx; Willa Kim has provided handsome costuming for Tetley's cast of three—the extra character is the jackal-headed Anubis, god of the dead—and the drama is played out to the sound of Martinu's concerto for two string orchestras and piano. The result is a well-shaped work that provides fine roles for Eva Evdokimova as Cocteau's sphinx, eager for the love that will bring her death, Jonas Kage as the hero, and *Jay Jolley as Anubis, attendant* on the sphinx.

Evdokimova manages both *the broad-spanning* movement that reveals the passionate nature of the sphinx-as-woman, weary of immortality, and the morbid, unassuaged desire for Oedipus that drives her to her death. The result is a portrait suggesting *all* the inevitability of a creature seeking her destiny, and it dominates the action admirably well. Kage conveys the physical allure of the young Oedipus; Jolley compensates for the lack of dramatic definition in his role by dancing of clear, cold authority. Like the ballet, these performances add lustre to the opening programme of *Festival Ballet's* thirtieth anniversary season which opened on Tuesday.

The evening also brought the return of Ronald Hynd's early *Dvorak Variations*, which needs better lighting and a tauter performance manner; and a version of *Petrushka* which, apart from Kenn Wells' intelligent and well-reasoned puppet, had too improvisatory an air. The historically exact world so clear in the score *and the settings is* less strongly present in the company performance.

Warwick Arts Trust

Anne Howells by RONALD CRICHTON

The Warwick Arts Trust's series of song recitals, begun on Tuesday, uses the first-floor studio of the big house at 33, Warwick Square, in Pimlico, once owned by the Victorian *painter Prinsep. There are 60* chairs and prices are accordingly steep. For £18 a head you get wine, supper, the current exhibition—and the concert. The inaugural artists were the mezzo Anne Howells, Martin Isepp at the piano and Kenneth Essex as obbligato viola. The room has possibilities for intimate music-making but in its present state is too resonant for a singer at home in the world's opera houses.

The Victorian and Edwardian salons where many famous professionals and countless amateurs *went* through their paces were heavily upholstered and luxuriously draped. In Warwick Square, all virginal white, there aren't even curtains. Mr. Isepp kept the piano lid tactfully closed. Miss *Howells, whose warm* and winning personality works as easily on a concert platform as on the stage, was having one or two little difficulties in the middle register, though the lower one, purple as blackberry juice, was *as ever seductive*.

The singer found her form in a vigorous aria from Handel's *Ottone* and in a gripping account of Schubert's *Der Zwerg*, amazing song (or rather, dramatic ballad) anticipating some of the darker pages of *Götterdämmerung*. By the second half the registers were more smoothly knit, and though she leaned a little heavily on the "luxe, calme et volupté" refrain of "L'Invitation au voyage," the Duparc group contained some gorgeous singing.

From Italian, German and *French Miss Howells* passed to equally idiomatic Spanish, mostly Rodrigo, including a lively *zapateado*, "Cancion del Duero," and "De los almos vengo," the Castilian song Falla used, so differently, in his *Harpsichord Concerto. Some of* the Rodrigo accompaniments nearly, but not quite, knocked the imperturbably expert Mr. Isepp off his cool. The viola joined the others for the two endlessly ruminative songs by Brahms which *include* the "Geistliches Wiegenlied." Brahms is not often self-indulgent, but when he is . . .

Berlin Film Festival

Critics come in from the cold by NIGEL ANDREWS

Tramping through cold Berlin streets pursued by the dreadful spectre of this year's unisex Film Festival poster—a woman's screaming face perched atop a man's nude and hairy torso—one wondered if the Berlin Filmfestspiele wasn't designed as a *vicious advance penance* for all those sybaritic delights that critics enjoy later in the year in sunnier Cannes, Taormina, Venice, or San Sebastian.

Berlin used to be in June, when birds twittered and pavements sunbathed. Now a Siberian blast moves through the city, and colds and sore throats germinate as one negotiates the awesome contrast between over-heated movie-houses and icy streets.

The filmic rewards have to be substantial to compensate and this year, thankfully, they were. Moritz de Hadeln, erstwhile director of the Locarno Film Festival, enjoyed his first year as Berlin's chief and so, *with one or two early* exceptions, did we. The Main Competition, always Berlin's disaster area, began with a typical rush of clinkers. There was Geraldine Chaplin lending her gawky beauty to two films elaborately *fey and unworthy — Miguel* Littin's *The Montiel Widow* and Michel Deville's *Le Voyage en Douce*. There was Harvey Keitel and Romy Schneider romping through a co-production Sci-Fi folly of rare lunacy called *Death Watch. And* the British entry *Rude Boy*—co-directed by Jack Hazan and David Mingay, who jointly brought you the memorable *A Bigger Splash*—was a cobbled-together mixture of fact and fiction intertwining *deafening rock-concert footage* of "The Clash" with a dim story about a cockney "roadie" for the group (Ray Gange) who can't quite hang on either to his job or to a Sense of Meaning in Life.

But the last few days of the competition produced a gladsome clutch of movies. Andrzej Wajda's *The Conductor* deploys the Polish director's ever-more-irritating "You-Are-There" style of filming — hand-held camera, manic tracking shots, etc. — but casts a piquant spell in its story of Polish-born conductor Sir John Gielgud's eventful return to his home country, enticed *thither by love, nostalgia*, and a mysteriously burgeoning death-wish.

This year's joint Golden Bear winners were Werner Schroeter's *Palermo oder Wolfsburg* and Robert Pearce's *Heartland. The German film is a* three-hour epic of luscious eccentricity about a Sicilian-born *Gastarbeiter* abroad in the cold world of German industry: and how murder and stern justice erupt from the inflammable mix of cultures. Schroeter's essay in operatic neo-realism is a long, crazed and beautiful blend of the great stylistic tropes of post-war Italian cinema.

Heartland unspools in snow-bound Wyoming, where Rip Torn and Conchata Ferrell play a plump and 40-ish couple *trying* to make ends meet on Cold Comfort Ranch as disaster keeps swiping them round the face. Babies die, cattle freeze, food gets scarce. But the photography is lovely, and so is the measured, Ford-like tempo of *Pearce's direction*.

The festival bowed out with a screening of Nicolas Roeg's new film, *Bad Timing*. Three cheers for Britain's most tenaciously individualistic director! *Bad Timing*, like all Roeg's films, makes the cinema seem like a new wonder-medium that no one but he has quite got round to exploring. Art Garfunkel and Theresa Russell are the love-crossed expatriates who meet, mate and maul each other in modern Vienna. The film's jagged chronicle of a love-hate liaison cuts across your mind like broken glass, and as the tale moves towards a bizarre suicide attempt Roeg rings brilliantly developing changes on the Freudian antiphony between sex and death. *Bad Timing* opens in London on April 10: further rhapsodies postponed until then.

Meanwhile, the Incredible Swelling Fringe of the Berlin festival continued to expand, annexing hitherto unheard-of cinemas and turning the daily schedule of filmgoing into a near-Himalayan challenge.

There was the New German Cinema sideshow, where baby Fassbinders and Herzogs *bounced into the world with* merry mewls. There was the Young Film-Makers Forum, where independent and low-budget movies flourished: not quite as the Green Baye Tree this year, but with some flavoursome sprigs nonetheless. And there was the "Info-Schau"—Information Section to you—where every film that hadn't found a home elsewhere could come in and nestle under such blanket programme-headings as "Documentary." "Latin America" or "Nocturne" (late-night movies on the theme of sexuality).

The best of the new German movies was Alexander Kluge's *The Patriot*. You remember Kluge, don't you? *Yesterday Girl*, *Occasional Work of a Woman Slave* . . . ? Well, if *you don't he's a sort of German* Godard: a sprite-like practitioner of agile agit-prop who mixes fiction and documentary with an exuberant pamphleteering flair. *The Patriot* is his best movie in years: a firework display of bright images and megawatt ideas orbiting round the tale of a Quixotically militant history teacher (played by the superb Hannelore Holger) who's crusading for a more truthful approach to Germany's past *both in and out of the classroom*. Meaty themes, scintillating treatment.

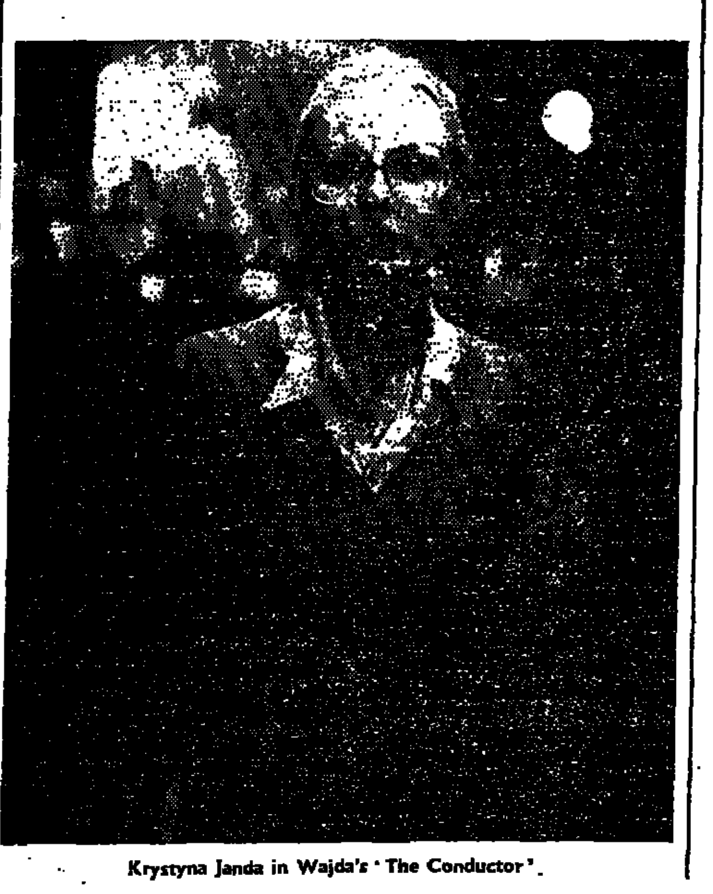
In the Young Film-Makers Forum, this was America's year. Lively U.S. documentaries abounded, from *Inside The Company, another exercise in* unmasking the CIA (how about unmasking the KGB one of these days, someone?) to Les Blank's chirpy *Werner Herzog Eats His Shoe*. In the latter the famous German film-maker munches his leather brogues before a packed audience of American cinephiles, in fulfilment of a two-year-old wager. (He promised U.S. director Errol Morris that he'd eat his shoe if Morris completed his then cherished movie *Gates of Heaven*. Morris did.)

But the best American film was fiction. Eagle Pennell's *The Whole Shootin' Match* is a brilliant slice of Backwoods Baroque, about two loopy Texans who keep trying to become overnight millionaires with their daft inventing schemes. Do you want a miniature windmill that blows soap-bubbles? Or a foam-dispensing vacuum cleaner? No, neither do I. *But our two intrepid Galileos* keep trying, and the film's wonky wit keeps succeeding. This movie must come to London—is there a British exhibitor in the house?

Last, but not least, this year's two sumptuous *Berlin* retrospectives. The more prolix of the two was a giant look-back at Billy Wilder's career. Aficionados of *Some Like It Hot*, *The Apartment* and *Fedora* could catch up both on lesser-known Hollywood titles and on the Austrian-born movie-maker's early output as a screenwriter in *Germany*. (*He penned his first movie in 1929.*) Wilder's impish and impious wit is one of the glories of Western cinema, and here was a full and fitting homage.

The other retrospective required you to put your eyes out on stalks. It was a bonanza survey of 3-D movies, those jump-out pageants you may remember enjoying or enduring if you were alive and filmgoing in the early '50s.

Collect your paper polaroids at the door and roll up for such as *House of Wax*, *Gorilla at Large*, *Miss Sadie Thompson* and *Creature from the Black Lagoon*. The eye-strain factor was high, but for the persevering there were rich rewards in two recent movies from Taiwan —*of all celluloid outposts*—in which dazzling spectacle repaid with interest optical agony. *Chang Mei-Chung's 13 Nuns and Dynasty* are gems of the Kung Fu film, and they show how *thrilling Oriental blood-and-*thunder can be when it near-literally leaps out of the screen to land in your lap. On this evidence there's a fertile future in 3-D yet.



Krystyna Janda in Wajda's 'The Conductor'.

Festival Hall

Royal Philharmonic by DAVID MURRAY

The three-quarters Russian programme planned for Tuesday night lost its Russian conductor and pianist rather suddenly, and Sir Alexander Gibson and Alicia de Larrocha stepped into the breach. The results did not sound hastily got up, but there were varying degrees of conviction. There is, or ought to be, a note of light-hearted outrage in Prokofiev's *Love of Three Oranges* music—we had the full six-movement Suite that the composer adapted from the opera *in 1924*—and the tidy, cautious-tempo reading we heard just missed that, though it made a cheerful hors d'oeuvre. In any case it really needs the extravagant stage goings-on to support it; Prokofiev was to exploit that snook-cocking manner better *in* later works.

There were fine moments in Ravel's Concerto for the Left Hand, though also room for suspicion that Gibson and Miss *de Larrocha did not see eye to* eye about it. It began with as musical a contrabassoon solo as I've heard in the piece, and then was allowed to sag as the first theme rose. There was too little rhetorical weight in *the piano entry, but Miss de* Larrocha nursed her second subject very beautifully. A dogged orchestral tempo drew much of the sting from the middle section; there were impassioned amends in the grand final cadenza.

Even an ordinary performance of Stravinsky's *Petrouchka* can be fairly inspiriting, and this one had passages of some distinction. None of it sounded less than carefully prepared, and the dramatic timing of the scene in the Moor's cell—the most fragmented portion of the score—was impressively taut despite edgy moments in the Ballerina's number. The overlapping waves of brass behind *the Nursemaids and Coachmen* were disappointingly mild. What was, all in all, a creditably vivid account of the piece was nicely capped by spot-on trumpets for Petrouchka at the end.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000

Thursday March 6 1980

Monitoring the public sector

MOST INDUSTRIALISED countries have long recognised the need for some form of public scrutiny into the behaviour of utilities which are not exposed to normal market forces. In America and much of Europe this supervision has been conducted by utility commissions and government agencies specifically established for this purpose. But in Britain, where most of the utilities and natural monopoly industries have been nationalised since the Second World War, there has until recently been a presumption that publicly-owned bodies could be relied upon to act automatically in the public interest.

They have frequently been given direct instructions by government departments. But the task of overseeing the general performance of the utilities has been tackled only sporadically, by bodies with quite different primary functions: the Prices and Incomes Board, the Price Commission and, now, the Monopolies Commission.

Disciplines

The present Government is, of course, much more sceptical than its predecessors about the virtues of public ownership. It *is eager to introduce disciplines* into the public sector, as stringent as the disciplines of the market. But its plans for overseeing the nationalised industries do not break with the ad hoc tradition. Doubts about the adequacy of these plans were underlined yesterday, by the publication of terms of reference for the Monopolies Commission's inquiry into British Rail's commuter services.

Staffing

This inquiry is to be the first under the new Competition Bill, which greatly extends the Monopolies Commission's powers in the public sector. These powers are to be the cornerstone of the Government's regulatory policy. But it is questionable whether a body whose primary function *is to promote competition* and investigate anti-competitive abuses can be expected to conduct the sort of efficiency audits which the Government has in mind. The terms of reference published yesterday say nothing about competition, since British Rail's dominant position on many *of London's commuter routes* is a foregone conclusion. Instead they ask the Monopolies Commission to suggest ways of improving efficiency and reducing costs.

The forthcoming investigation into British Rail looks like being remarkably similar to those conducted under the last government by the Price Commission. Like the Price Commission, the Monopolies Commission will have to complete its investigation within six months (with a possible three months' extension). Like the Price Commission, the Monopolies Commission is a body of part-time members, with no detailed knowledge of the industries they are investigating. In terms of professional staffing, the *Monopolies Commission looks* like being weaker than its predecessor.

It will be remembered that the Price Commission's reports were frequently condemned for being superficial, inadequately researched and, occasionally, politically biased. The Monopolies Commission has, in the past, managed to maintain a reputation for objectivity largely because its investigations have been confined to more specific and less controversial matters than the efficiency of a whole enterprise and the "justification" of a proposed *price* increase. In the British Rail inquiry, an attempt has been made to narrow the terms of reference as far as possible. But it will be difficult for the Commission to ignore such politically-charged questions as the rightness of cash limits — which has arrested BR's investment programme — and the level of railwaymen's wages — which has been partly responsible for endemic staff shortages and cancellations.

Work practices

The British Rail management, unlike most of the Monopolies Commission's victims, are actually enthusiastic about the inquiry going ahead, since they see it as an opportunity to air grievances against over-stringent government policies. The Government, on the other hand, clearly hopes that the Commission will come up with strong recommendations about altering certain working practices, such as double manning of trains. Both these expectations *may well be justified.*

The trouble is that it is all too likely that "the inquiry will tell us nothing we do not know already," as Mr. Sid Weighell, the railwaymen's leader, predicted yesterday. To put forward solutions, rather *than merely identifying* problems, a body with more detailed knowledge of the nationalised industries — such as a public utilities commission of some sort — may yet be needed.

Effects of a U.S. blunder

PRESIDENT Jimmy Carter's retraction of U.S. support for last weekend's UN Security Council resolution condemning Israeli settlements in occupied Arab territories was an implicit confession of the Administration's incompetence or vacillation—*perhaps both. Worse his statement* that the positive vote had been a mistake and that the U.S. should have abstained has disappointed the Arab world but in no way mollified the wrath of the Israeli Government nor allayed its apprehensions about a change in American policy.

Disavowal

Subscribing to the resolution would have meant nothing less than that if it had not been for Mr. Carter's belated disavowal. U.S. opposition to Israeli colonisation of the Arab occupied territories has long been a matter of record. However, the resolution in question both equated Jerusalem with the West Bank and the Gaza Strip while calling for the dismantling of settlements. The U.S. position remains. Mr. Carter explained, that the status of Jerusalem (though not the basic principle of free access to members of all faiths) should be determined as part of a comprehensive peace agreement and that the future of existing settlements should be decided in the current Egyptian-Israeli negotiations on autonomy for the Arab inhabitants of the occupied territories.

Mr. Carter and Mr. Donald McHenry, U.S. Ambasador at the UN, have blamed a failure *of communications for the* blunder. But the latter's account of the affair has indicated that, having failed to remove from the draft references to Jerusalem and the dismantling of settlements, Mr. Cyrus Vance, Secretary of State, was prepared to see them remain. Inevitably, suspicions have arisen that the U.S. President recanted under pressures by Israel and the Jewish lobby, out of electoral considerations, on the eve of the Massachussets Democrat Party primary.

Erosion

Attitudes towards the Middle East conflict were generally expected to be less of a factor in 1980 than in the past three presidential campaigns. The *main reason has been the* discernible erosion of support for Mr. Menahem Begin's Government among the Jewish community and the wider disillusionment in the U.S., largely because of Israel's ruthless determination to press *ahead with colonising the West* Bank in a manner that can only jeopardise the chances of a comprehensive peace agreement. The fact remains, however, that in an election year no candidate wants to risk unduly ruffling Israeli susceptibilities. Mr. Carter has been endorsed by Mr. Ezer Weizman, Israeli Minister of Defence, who commands more confidence than anyone else in the *ruling* coalition. And he has been careful to restate his opposition to the concept of a Palestinian state.

Meaningful

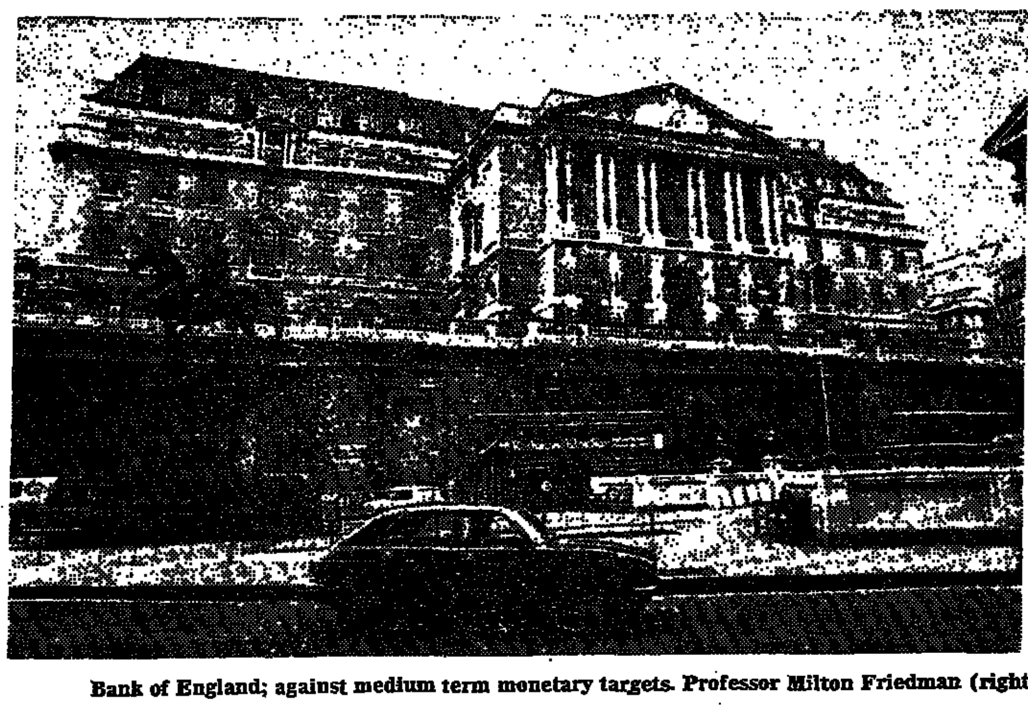
Even so, the Administration started the year by acceding only to a small part of Israel's greatly increased demand for aid in 1980-81. It has caused offence in Israel by seeking military collaboration with Egypt and concern by agreeing to supply it with a much larger volume of aid for the purchase of sophisticated weaponry. The Administration has voiced its mounting irritation over Israel's refusal to envisage a more *meaningful form of Palestinian* self-government and over its settlement policy, particularly the decision in principle to allow Jews to move into the centre of volatile Hebron. In the event of the autonomy negotiations failing totally the *indications* are that Mr. Carter might have considered a revision of UN resolution 242 to make some reference to Palestinian self-determination in line with the thinking of the European Community.

In the meantime, the U.S. has been aware of the danger that any real pressure would probably make Mr. Begin more intransigent. Indeed, if it had not been for the volte face on the latest UN vote, the Israeli Cabinet probably would have *retaliated by setting up a* religious school in Hebron. In such a delicate situation Mr. Carter's blunder — whatever caused it—seems to have weakened his ability to influence Israel's posture in the negotiations.

ECONOMIC VIEWPOINT

The Bank, the EMS and the monetary targets

THE BANK of England is against medium term monetary targets now for the same reasons that made it *take so long to adapt short term* ones and for which it is still opposed to the technical means required for their implementation. Those at the top of the Bank dislike having their discretion fettered by rules; they instinctively think in terms of interest rates, of providing a mixture of help and discipline for financial institutions, rather than in terms of monetary aggregates of any kind. Much of the internal discussion is about "whether the politicians understand what *they are being committed to*" and what will happen if they do not like the results.



Bank of England; against medium term monetary targets. Professor Milton Friedman (right): Lord Keynes on his side

The Old Lady does not, however, confine herself to the task of amateur political crystal-gazing. There are of course first-rate economists at the Bank, whose criticisms of the draft Treasury medium term financial framework are being mobilised by superiors who are fundamentally hostile to the whole operation.

One criticism is that the draft document has a set of declining figures rather than ranges for the growth of "Sterling M3." A little cynicism is in order here. Precisely because monetary control has its costs, official policy concentrates mainly on trying to prevent the upper figure from being too badly breached.

Thus it would not have mattered in the least if the present objective had been expressed as a maximum growth rate of 11 per cent, instead of a range of 7-11 per cent. The 7-10 per cent part of the range can be forgotten in any case.

What is much more dangerous is the emergence of *a Bank* lobby—which has its parallel in the Foreign and Commonwealth Office — in favour of joining the European Monetary System. There is a respectable argument — which I have used myself — for a monetary policy designed *to maintain a stable exchange* rate against a currency with a good price stability record, such as the D-mark. Quite apart from the fact that the EMS is not such an arrangement at all, one should be extremely suspicious to see this argument being pulled out of the hat at the present time, with the implication that monetary control should be relaxed.

Whatever Chancellor Schmidt may have said to Mrs. Thatcher, I can see no chance whatever of the EEC as a whole—and *especially the French—making* a major concession on the budgetary front in return for the dubious blessing of seeing Britain inside the EMS.

There is no responsible way in which the UK could join the EMS without a large devaluation; and *it is ironical* that the new Deputy Governor of the Bank of England, Mr. C. W. McMahon, was a notable opponent of devaluation in the 1960s when the case for it was much stronger than it is today, and even wrote that it was like the H-bomb, a deterrent never to be used.

Of course it is true that "Sterling M3" is an imperfect measure of what needs to be controlled — although it hardly lies with the Bank to blame others for this. But it is quite the wrong way out either to turn to the EMS instead, or to *hold up progress while some* wholly unattainable perfect measure is sought. The right thing to do is to explain in prose that the Government's real commitment is to limit the flow of money through the economy (in technical terms *the nominal national product*). The "Sterling M3" targets are simply a means; and may need to be supplemented or tightened. To spell this out properly would not be to weaken monetary policy but to reinforce it; and if this is what the Bank really wanted, I should be agreeably surprised. There is never a "right time" for a policy departure and never a perfect wording. The Government has already lost nine months by increasing VAT in 1979, without any financial strategy. If medium term targets are not published this March, the opportunity will have been lost for the rest of this Parliament.

There is another point made by the critics which is true, but irrelevant. The present medium term revenue and expenditure projections are based on the very pessimistic view of output and employment over the next few years, emerging from the Treasury's Medium Term Assessment (MTA). It is well known that Treasury forecasters have a picture of the world in *which the Government's* strategy — or any strategy based on market forces and monetary control — is bound not merely to fail, but itself to be the cause of stagnating output and employment.

In due course, Treasury forecasting will have to be demystified and a more open approach *introduced. But for the purpose* of a medium term financial framework the official gloomsters do not really matter. A medium term financial framework requires not dubious *forecasts* of things over which the Government has little control, *but statements of intentions* over public spending and taxes over which it has a great deal of control.

The key fiscal figures are the PSBR targets, to which expenditure and tax intentions are subordinate. If real growth is faster than expected by the Treasury, or oil revenue comes in faster, it will be the easiest thing in the world to reduce taxes or increase social spending. The whole point of a financial strategy is that forecasts play a very subordinate role, and its focus is on matters which the Government can decide rather than on those it cannot.

Mainstream Friedman

"TELEVISION is dramatic. It appeals to the emotions. It captures your attention. Yet, we remain of the opinion that the *printed page is a more effective* instrument for both education and persuasion. . . . Anyone who is persuaded in one evening (or even ten one-hour evenings) is not really persuaded. He can be converted by the next person of opposite views with whom he spends an evening."

These words come from the Preface of *Free to Choose*, by Milton and Rose Friedman (Secker and Warburg, £7.95). Coming from most economists it would be sour grapes. Coming from one of the very, very few who has undertaken a "television spectacular," it should *command attention.*

So far two discusssions have been seen on the BBC 2 *Free to Choose* series. In the first, an interesting argument was getting under way between Professor Friedman and Mr. Bob Rowthorn, a left-wing Cambridge economist. Professor Friedman was contrasting the rapid economic growth of Japan under free trade in the 30 years after the Meiji restoration of 1867 with the stagnation of the Indian economy in the 30 years after independence. He had a good point. But Mr. Rowthorn also had a good point when he said that Japan had turned towards protection and intervention in the 20th century, but had continued to prosper.

If it had been pursued, Professor Friedman might have said that Japanese interference with the free market was relatively modest, although on balance harmful. This could have led to an interesting discussion about how severe intervention has to be, before it really saps performance; and how severity is measured. Is it a question *of the extent or* quality as well? It might also have led to a clarification of the general case for free trade independent of the interpretations of particular episodes in history.

But alas, it was not to be. *Lord Kearton had to be* brought in to give a prize demonstration of age-old fallacies mixed with abuse of Professor Friedman. By contrast Mr. Eric Heffer emerged as the epitome of middle of the road common sense. Thus the chance *of getting to the root of the* argument was lost.

In the next programme part of a film dealing with social security had been spliced on to an entirely separate one on the Great Depression—presumably to reduce the total number of transmissions compared with the U.S. original.

The programme became alive only when the chairman, Mr. Peter Jay, began quizzing Prof. Friedman on the Negative Income Tax (NIT). Mr. David Ennals, the former Social Services Secretary said that his Department had looked at NIT, *but had found it too expensive.*

This could have been fascinating, but it was the end of the programme. One has to turn to *Free to Choose*, "the book of the film," to learn how Prof. Friedman hopes to use the Negative Income Tax to *phase out most existing social* security programmes, as existing rights expire, and to reduce the average benefit received.

A careful reader will notice several other things. For instance, although a typical welfare recipient would receive less in a Friedman world, he would receive it unconditionally. There would be no investigation of circumstances (other than income) or of whether the recipient had genuinely tried to get work. It would be as if we *had adult credits as well* as child credits (in place of personal tax allowances) and these credits were subject to tax.

Note too that there is nothing in Professor Friedman's logic, as distinct from his personal choices, to require reduced benefit levels. As he explains, one could opt either for high marginal rates of cut-off at the expense of work disincentives at the bottom of the scale; or alternatively one could have a high break-even point, which would indeed make the scheme very costly.

But people with different values might prefer more redistribution at the cost of some work disincentive. Even if one's values are roughly those of today's welfare state, and one wants to keep the Health Service, and also the conditionality of unemployment and sickness benefits, *it would still* be sensible to put together the great mass of miscellaneous benefits, such as free school meals and milk, rent and rate allowances, and so on, into a comprehensive negative income tax which would not lead to implicit marginal tax rates of over 100 per cent by inadvertence.

Such a limited NIT would probably have to be coupled with the phasing out of both rent subsidies and tax subsidies for home owners. Unfortunately *the political basis for such* a radical market economy does not exist. Politicians who call themselves social democrats seem mainly interested in incomes policy, or mapping out a middle ground between positions staked by others.

The most striking feature of the book is how much of a mainstream economist Professor Friedman really is. He is careful to list all the standard examples of "market failure" and to explain that there are some objectives best achieved via the instrument of government. He warns, again entirely in the mainstream, that government activity has its own failures and imperfections. Unlike Professor Hayek, he does not even try to provide general rules to say when government *intervention is justified* or not.

He personally believes that the onus of proof should be on the interventionist, both because he distrusts big government and because he believes that in practice the drawbacks of markets are much exaggerated and those of governments much understated. Yet I doubt if the argument will ever be resolved by the two sides piling up examples and counter-examples. Some general theory is still required of which the "invisible hand" would be one special case and "*prisoner's dilemma*" (a mathematical game in which self-interest does not work) another.

These unsolved problem areas should not blind us to the fact that in his exposé of the fallacies of price and wage controls, import protection, rent controls, restrictions on occupational entry, or his exposition of the link between money and prices, Professor Friedman is speaking for a 200 years' tradition of economic thinking; and one on which Lord Keynes would have been on his side on most issues, most of the time. Indeed, in the monetary areas which both men have made their speciality, I cannot help reflecting how much more these two economists would have had in common with each other in concrete historical episodes than either would have had with the central bankers of their time. Read the book.

Samuel Brittan

MEN AND MATTERS

A bridge too far gone?

The moth-balled railway bridge which crosses the Thames at Blackfriars has been mouldering gently into decrepitude for the past eight or 10 years. In the interim, the railmen have tinkered dully with notions of calling in the scrap merchants or mused in Horace Cutler fashion about opening it up again to link the Southern Region with tracks north of the river. Hardly surprising then, that they were flabbergasted by the inspired scheme put to them recently by David Pickford, managing director of Haslemere Estates.

Pickford, whose company specialises in gutting and refurbishing period properties, has a vision of restoring to the riverscape a vista not seen since the Great Fire—a bridge with buildings. He admits that the exclusive site, sandwiched between the road bridge and the busy commuter train tracks, would be rather too noisy for comfortable living accommodation. But he is convinced that this rusting monument to the belt-and-braces school of railway engineering is too valuable to be allowed to decay beyond salvation.

"I want an integrated development," he tells me, waxing lyrical as he conjures up the scene. "I have suggested a two-storey office block at the City end: a rather pretty Georgian type of thing. A walkway right the way along, shops, a restaurant and a sports complex at the Southwark end."

But while Pickford bubbles, BR ponders the cross-Thames link, and the forces of nature take their toll on the structure. Official rail spokesmen see little chance of any early decision. "It will be years rather than months before any choice can be made," I was told. My regrets, Mr. Pickford, but my money is on the scrap man.

"You can't tell me the black economy doesn't exist—I'm a tax inspector!"

Star turn

An event of world importance, I can reveal, will take place in Rio de Janeiro State on Saturday, at least according to the Rio de Janeiro Interplanetary Society. To wit: The Jupiterians will land at 5.20 am on the farm of Our Lady of the Conception near the town of Casimiro de Abreu.

Some may wonder why denizens of the far-off planet have picked a backwater of Brazil for their first recorded visit to earth. The answer is simple, according to the Interplanetary Society's UFO-logist Edilcio Barbosa. Inadvertently, it seems, Jupiterian space labs picked up a Brazilian Fleet Air Arm patrol helicopter three and *a half years ago.*

Barbosa says that the Jupiterians have now realised their mistake, and are dropping in to return the four-man crew of the helicopter absent without leave since August 1976.

Jupiter fever is only the *latest* instance of Brazil's extra-terrestrial obsessions. Only last November, Brasilia, with its ready-made landing strip for unusual visitors, played host to the first international congress of UFO-logists.

Delegates learned that, on a regular basis, travellers on the road from the capital Belo Horizonte were "borrowed," car and all, by Martian saucers for a few hours of conversation with computers and flashing lights. It was also said that several nubile Brazilian ladies had enjoyed interplanetary relations o ntheir rooftops with gentlemen who looked somewhat odd, but spoke *excellent* Portuguese.

Silent service

The Luddite outburst yesterday of Labour backbencher Gwilym Roberts has at least catapulted *this self-described* "industrial consultant," however briefly, into the headlines.

Roberts' view seems to be that 1984-and-all-that is being ushered in by the Central Electricity Generating Board's forthcoming transmission of inaud*ible signals to the homes of 280* electricity workers. The signals switch storage heaters on and off. Roberts talks darkly of "enormous implications in terms of privacy and security." The electricity industry says very politely that Gwilym Roberts — who has cornered the market for TV punditry in the Welsh language but not in English — is suffering a cerebral short-circuit.

Far from being a "forthcoming" piece of future shock, *the teleswitching experiment* turns out to have been going on since November and is due to end in a few weeks. "We feel hurt," an Electricity Council spokesman tells me. "We have issued two Press releases about this and no-one took any notice at all." The *logic* of teleswitching is mainly that spare electricity is produced at other times than during the night, and teleswitching combined with computer-control of the power stations would save *fuel.*

Existing mechanical switches, apart from being committed to a 12 p.m. to 7 a.m., or an 11 p.m. to 6 a.m. shift, tend to go out of sync and cause bi-annual headaches when British Summer arrives to interfere with British Time.

Other methods for replacing the switches have been tried, but radio waves are said to look the most promising so far. Another system, widely used in Europe, involves sending pulses down the mains — but this apparently caused hiccoughs in British computers.

Maggie's tops

If Europe's most energetic political leader is one and the same as Europe's most hawkish towards the Soviet Union, it should not take long to divine that the said person is our own Mrs. Thatcher. She tops the poll on both counts in an opinion survey just conducted in France. And though Downing Street these days seems to have little time for anything the French may say or think, the PM may still feel mildly bucked by the findings. Her "standing," as the French have it, is markedly higher than Jim Callaghan's.

On "energy" she scores eight out of 10, beating runner-up *Helmut Schmidt's modest tally* of 6.6, and leaving Callaghan trailing with 5.6. But the top two positions are reversed when it comes to economic management ratings, and our leader slips further on crisis management, scoring only a modest 6.3.

It may seem odd to some that France's own Valery Giscard d'Estaing has failed to score at all. The reason is simply that the French pollsters left him out — perhaps because of the protocol so beloved of the French that distinguishes between heads of government and their head of state, or perhaps because it is unfair to run a demi-god against mere mortals.

Nip, off

New notice in a colleague's golf club: "If you are going to drive home, do the nineteenth in one."

Observer

هكذا من الأكحل

Dress rehearsal for an oil crisis

BY RAY DAFTER, ENERGY EDITOR

THE FULL SCALE test of emergency oil sharing procedures planned for later this year by the International Energy Agency will be an important and somewhat politically sensitive operation.

Officials within the agency, the Governments of member countries and the many oil companies involved all emphasise that the simulated oil crisis will be no more than a routine test of contingency plans which have been developed and refined since the serious oil supply disruptions in 1973-74. They are naturally anxious that the test should not be construed as an act of confrontation with producers.

The main oil consuming countries recognise that this is not the time for sabre rattling, given that world oil supplies are so precariously balanced. The Organisation of Petroleum Exporting Countries still accounts for some 57 per cent of world oil supplies to non-Communist countries.

According to projections within the IEA non-Communist world oil consumption this year should amount to 50.8m barrels a day as against 51.6m b/d in 1979. The fall reflects lower economic activity and, to a lesser extent, improved conservation. The demand for OPEC oil is expected to range from 28.5m b/d to 29.5m b/d.

But Governments of major oil importers are uneasily aware that many of the OPEC producers can significantly cut their output, particularly given the new high prices. Kuwait, for example, is already planning to reduce its production in April from 2.2m b/d to 1.5m b/d.

Petroleum Intelligence Weekly, an authoritative oil industry publication, has made the disquieting calculation that in order to match their 1978 revenues OPEC countries need produce only 11.8m b/d—roughly the current output of Saudi Arabia and Nigeria combined. As a yardstick OPEC's production totalled some 30.8m b/d last year.

The position of Saudi Arabia is crucial. For, although still regarded as a pricing moderate within OPEC, its 9.5m b/d output is generating far more revenue than the Kingdom can invest profitably, as its oil minister Sheikh Ahmed Zaki Yamani was at pains to point out at the European Management Forum at Davos, in Switzerland, a month ago. "Unless we assure ourselves that there is a reasonable rate of return over the inflation rate, I do not think we shall continue at this high rate of production," he said.

It is against this background, that the IEA is setting up its trial run of the emergency scheme. The operation, which will run throughout October and November, will be the third "dry run" since autumn 1976. It will also be the most ambitious.

This year, for the first time, the test will probably include the Governments of all 20 IEA members, the agency's secretariat and executives from over 30 international oil companies. At the same time a number of countries are expected to test their own individual emergency procedures. All told about 300 people will be involved, providing and assessing information, arranging for the "diversion" of oil shipments, and "implementing" oil rationing and allocation schemes.

The assumptions for the test will be laid down by Dr. Ulf Lantzke, director general of the Agency; by Mr. David le Brun Jones, a deputy secretary in the British Department of Energy who is chairman of the IEA's Standing Group on Emergency Questions; and by the chairman of the Industry Supply Advisory Group—at present Mr. Mark Venrick, vice-president of Exxon International and manager of its supply and transportation department.

OIL SUPPLY AND DEMAND PROJECTION*

AVERAGE 1980-83

(million tonnes a year)

OPEC SUPPLY		NON-OPEC SUPPLY	
Saudi Arabia	348.3	U.S.	537.3
Iran	174.1	Canada	99.5
Iraq	124.4	UK	109.5
UAE and Qatar	109.5	Mexico	129[illegible]
Indonesia	99.5	Others, including imports from Communist areas	477.6
Nigeria	99.5		
Venezuela	99.5		
Libya	94.5		
Kuwait	94.5		
Others	74.6		
TOTAL OPEC	1,318.4	TOTAL NON-OPEC	1,353.2

TOTAL SUPPLY 2,671.6

WORLD DEMAND	1980	1981	1982	1983
	2,611.9	2,651.7	2,691.5	2,736.3

* Excluding Communist countries.
Source: Data from projections by Arnold Safer, International Oil Policy; Lexington Books, Lexington, Mass. January 1980.

They will specify the amount by which a major oil producer is assumed to have reduced output. To complicate the exercise they might also decide to "aggravate" the supply position by "reducing" export levels from a second producer. The countries picked as the instigators of the hypothetical crisis will not be chosen because of their real-life vulnerability to production disruption — such as Iran. During the last exercise in 1978 is was assumed that North Sea output had been severely disrupted, perhaps by a pipeline failure.

In an emergency, the oil sharing system would automatically be activated if the disruption in supplies surpassed 7 per cent of the normal level. It can be triggered by a group of countries or by one individual importer. Sweden early last year came very close to activating emergency procedures entitling it to help from other IEA members. It found itself short of imports — a reaction to the Iranian crisis coupled with bad weather which had prevented some tankers from unloading at northerly ports. IEA officials talked to oil companies and found that import needs had been reduced anyway because of refinery maintenance programmes. The agency was assured that companies already had plans to make up for any shortfall in oil products.

As one senior official commented: "There were a few weeks of heavy supply gyrations, but when we looked a little into the future we saw the situation was not so alarming." The emergency trigger was never pulled, much to the relief of IEA members generally.

There are four basic elements to the emergency scheme:

1. REALLOCATION OF AVAILABLE SUPPLIES. The IEA assesses how much oil is available and decides how it should be shared. Each country's fair share — its "supply right" — is compared against scheduled supplies. Under the guidance of the IEA, oil companies would redirect shipments to countries particularly short of oil. As far as possible oil would continue to be traded at market prices. The IEA says it will monitor prices to make sure that "the principles of fair treatment and non-discrimination are observed." Its powers are of moral suasion and do not include sanctions.

2. RESTRAINT OF DEMAND. All member countries have undertaken to have plans capable of restricting demand. A supply shortfall of 7 to 12 per cent overall would prompt Governments to curb demand by at least 7 per cent. A more severe reduction of 12 per cent or more of normal supplies would lead Governments to restrict demand by at least 10 per cent. Most, if not all Governments, have on file plans for rationing and allocating reduced levels of oil products.

3. MAINTENANCE AND CONTROLLED RUN DOWN OF EMERGENCY STOCKS. Within the IEA each of the 20 member countries are bound to maintain emergency reserves equivalent to around 90 days of net imports to be drawn on in a supply crisis. On this basis the UK, soon to be a net exporter, would need to carry very little stocks. But the UK is bound by the European Community's ruling on stocks. In most EEC countries stock levels of 90 days of consumption (not merely of imports) are required; the UK—with plenty of "stocks" in the North Sea—is allowed to operate with stock levels of around 76 days.

4. AN OBLIGATION UPON INDIVIDUAL GOVERNMENTS TO CREATE EFFECTIVE NATIONAL EMERGENCY ORGANISATIONS. The IEA executive has already stated that as part of the test in October and November it hopes that member Governments will review their own national emergency procedures.

Obviously the general public will not be affected by all these tests. The whole exercise will essentially be used to see how quickly masses of statistics can be collected, analysed and acted upon. Assessors will also look critically at how information flows between Governments, oil companies and the secretariat.

Close watch

It normally takes four days to collect together a month's essential data. IEA officials keep a close watch on a moving five-month period of information: data from the past two months; current supply and demand figures; and estimates of consumption and supplies over the coming two months.

In this way the Agency should be able to plot trends and identify slowly emerging problems. The reaction of the emergency system to this so-called "creeping crisis" is to be one of the objectives of this autumn's test. Another will be an assessment of how the IEA system links with the EEC's emergency plans. (The European Community also has provisions for restraining demand.

The IEA is also planning to use its test to assess changes made in its emergency procedures since the 1978 exercise.

France will be missing from the exercise though it is one of the developed world's major energy consumers. So with its two leading energy companies, Compagnie française des petroles (the Total Group) and Société nationale Elf Aquitaine. France refused to join the IEA in 1974, partly because it felt that OPEC would regard the Agency as a weapon for confrontation.

The IEA was, indeed, established in that sort of atmosphere. Dr. Henry Kissinger, then U.S. Secretary of State, who was IEA's main architect, saw the need for consumer Governments to co-ordinate their actions in short term oil crises.

The French view of the IEA's emergency sharing scheme may, therefore, be somewhat jaundiced. A senior French oil executive commented in Paris last week: "Wait until the next real crisis. You will find Governments and companies forgetting all about sharing and scrambling for supplies."

This, as one would expect, is not the view within the IEA. Dr. Lantzke told the Financial Times: "If there is a shortfall of 7 per cent or more on a sustained basis then you will have a real threat to the world economy."

There is a strong feeling within the agency that it will take a real emergency, with a cut of supplies by at least 7 per cent, to secure full co-operation among members. There was some pressure to implement a measure of sharing when Iran's production was severely cut last winter. In the end the majority of IEA members resisted this pressure, much of which was coming from the U.S., for it was felt that there was a danger of some countries and companies getting out of line. In the end the disruption of Iranian supplies was not serious enough to trigger the full emergency procedures. The Agency and its friends hope that in any more serious crisis solidarity will prevail.

If the IEA is to be a countervailing force against the power of OPEC, it must be seen to be cohesive. If the IEA's emergency plans are to be an effective defence against another serious disruption of oil supplies then they must be tested and be seen to work. That is what this autumn's operation is all about.

IEA IMPORT TARGETS

(million tonnes)

	1980	1985
Australia	13.5	17.0
Austria	11.5	13.5
Belgium	30.0	31.0
Canada	7.4	29.4
Denmark	16.5	11.0
Germany	143.0	141.0
Ireland	6.5	16.5
Italy	103.5	124.0
Japan	265.3	308.66
Luxembourg	1.5	2.0
Netherlands	42.0	49.0
New Zealand	4.2	4.4
Norway	−15.5*	−18.3*
Spain	51.0	52.9
Sweden	29.9	29.0
Switzerland	14.0	14.5
Turkey	17.0	25.0
UK	12.0	−5.0*
U.S. and territories	437.2	436.0
IEA TOTAL	1,205.3	1,289.6
(Includes Bunkers	69.7	79.6)

* Net exports

Letters to the Editor

The TUC's attitude

From Mr. G. Arbib.

Sir, — I was in my car on my way to the office at 7 am on March 3 to get on with the job, despite jet-lag, when I was horrified to hear on the news the prognostication by the TUC that if the Government did not alter its present policies there would be no growth over the next five years. I forecast that if the TUC does not alter its policies there will be no growth in the UK over the next five years.

It is obvious to anyone who travels overseas attempting to sell our British-made goods that the TUC is living in cuckoo land. It has much to answer for the present state of this country as a result of its own policies over the past 40 years. It is an undemocratic organisation which has gradually driven living standards in Britain below other countries we once surpassed, through its policies which have made it impossible for our companies to compete effectively against our overseas competitors.

The TUC and its subordinates for which it has given up responsibility, talk continuously about the right to strike, but in most states in the U.S. they have a Right To Work Act. Why can't we have one?

In the U.S. and virtually every other country it is a criminal offence to take part in secondary picketing and no one feels sorry for those who go to jail for breaking the law.

How does the TUC justify its lack of action to rationalise the ridiculous number of trade unions we have in this country? How can we hope to have industrial harmony when we have over ten unions in some major industries, where our principal overseas competitors have only one union per industry?

Fortunately the company for which I work is a small one and has excellent relations with all its employees, but the divisive propaganda emanating from the unions and outside militants have not made this easy.

How about the TUC starting work now on constructive proposals to make Britain competitive again, instead of squealing about the proposals made by the Government, which so far only go a fraction of the way towards putting us into the same ball game as our overseas competitors.

G. Arbib,
Kelsey Industries.
Kelsey House, Wood Lane End, Hemel Hempstead, Herts.

Capital gains

From Mr. T. Ahern

Sir,—Assuming Mr. B. Ridout's (March 4) idea was put into operation, large scale evasion would occur on disposal of goods, chattels, collectors' items, etc., as the exact date of purchase would be difficult to disprove. (More work for the Revenue.)

With reference to Mr. Penwill's letter of March 4, my assumption that values of most investments at April 5, 1980, are higher than at April 5, 1965, is correct. Exceptions are fixed interest stocks (apart from gilt-edged, which do not qualify anyway).

In any case the Revenue (as in the 1965 base) will give the taxpayer the option within a specified period to elect either actual prices paid, or the new 1980 tax base. There is no doubt that present values of real estate, chattels or collectors' items, etc., are considerably higher today than in 1965. These values have kept roughly in pace with inflation.

Making allowances for tax based on the number of years the asset is held would increase and not decrease the work of the Revenue. The taxation of capital gains on investment trusts I agree does require simplification.

T. S. Ahern.
30, Gordon Road, Claygate, Surrey.

Public sector borrowing

From Mr. K. Napuk

Sir,—I can appreciate the relief and even sense of joy which accompanied the Treasury's announcement (February 28) that the Government might hold the public sector borrowing requirement at £8bn with a Budget neutral on tax, but I cannot understand the sense in such expressions. There are several very disquieting elements that need to be considered before the applause ceases.

The Treasury's admission that an average standard error might be £3bn either way hardly builds confidence in the statistical forecast or the Government's ability even to control its own spending. There is no evidence that any Government accurately can control the money supply, e.g. targets are expressed in percentage bands such as 6 per cent to 10 per cent. The Government does not reveal the target or limits it puts on the actual printing of paper money which certainly is one element of the money supply directly under its control.

An £8bn deficit here is the equivalent to an $83bn deficit in the United States which would be intolerable there even though it is a much richer and productive country. President Carter is severely criticised for proposing a deficit of $40bn.

To the best of my knowledge no Government anywhere has committed itself strictly to a monetarist policy course, which means that Britain will be making political/economic history. Does anybody feel comfortable with the Government's past performance in economics?

All this leaves one with the feeling that Government will just go on spending more than it earns indefinitely, making up the difference by merely printing more money which cheapens the value and respect for money already in circulation and by selling more government shares which drives up all interest rates. If any of us had a relative or friend who spent more than they earned and made up the difference by writing bad cheques or continually borrowed from others, we soon would not have anything to do with that person. Yet, this is exactly what the Government does and is applauded for when it manages to spend less than expected. We don't need a controlled PSBR but rather a balanced budget which will reduce inflation and interest rates.

Kerry Napuk.
Townhead, Ancrum, Jedburgh, Roxburghshire, Scotland.

£3bn margin of error

From Dr. J. Collings

Sir,—Dr. Heller (March 3) draws attention to the wide margins of error quoted for forecasts of the public sector borrowing requirement. I am sure that many of your readers will be aware that the difficulty in obtaining accurate PSBR forecasts arises because the PSBR is forecast indirectly as the difference between public sector income and expenditure flows. It may however, be worth pursuing this point a little further since, as Dr. Heller points out, the PSBR forecasts are playing a central role in discussions of the Budget strategy.

A major contributor to the large margin of error put on PSBR forecasts is the error of £3.5bn in the 1976 Budget forecast of the PSBR. Examination of this forecast reveals average (absolute) errors of 6 per cent on the components of income, of 3 per cent on the components of expenditure and of 25 per cent on financial transactions (which are very volatile).

Having recently retired from the cut and thrust of PSBR forecasting, I can reveal the secret of producing accurate forecasts. It is, of course, to ensure that errors cancel out. The 1976 Budget forecast had extremely accurate totals for both expenditure and financial transactions but unfortunately underestimated every single item of income. In contrast, the National Institute Economic Review managed to produce a PSBR forecast for 1976-1977 that was £1.5bn closer to the correct figure while having slightly greater average percentage errors in the components of income, expenditure and financial transactions.

(Dr.) John Collings.
Senior Lecturer in Economics, The University of Aston, Management Centre, 158, Corporation Street, Birmingham.

Nuclear post still vacant

From the Chairman, Staff Side Joint Negotiating Panel, Nuclear Power Company (Risley).

Sir, — The hollow sniping humour of the nuclear post specification for chairman (Lombard, February 29) can only be deprecated by the staff of the company — half of whom are graduates.

Reactors are built by people and those to date were built by World War II veterans and the young first products of the Rab Butler Education Act of 1944. On average, the best pioneers have built eight power stations in 20-odd years, not a bad record.

The industry is the final merger of five original individual competing companies. Five sets of executives reduced to two and then by the previous Tory Government to one. To survive down to the last two demanded a certain type of "tough nut" and to finally try to get the "final merger" has been Lord Aldington's problem these past years.

Due to the concentration on the design and construction of the stations, little effort was spent on training top management for the next generation from within.

As a monopoly supplier to an informed single customer the nuclear power game is in a new ball park.

The new chairman requires qualities that will inspire the next generation of nuclear engineers. As the article suggests, we may now be entering a phase of "appointment by TV" on the lines of "trial by TV." It is the industry and the staff of the company in particular that needs the new chairman, not the media.

The staff of the company is the only asset of the company — one hell of a heap of grey matter.

The nuclear timescale is two or three Parliaments, so we want a man (or woman) with ten years to offer.

In contrast to the "internecine war" of the "not so great" and the "not so good," there is relative tranquility, commitment and dedication among the staff. The staff union has all the attributes that modern industrial relations demand. A single union for all the 23 grades, local plant bargaining, secret ballots for members and non-members, no closed shop.

It is time to get down to building the next stations along with a little plant wage bargaining, in time for a pay review this year.

Bob Ingham.
Risley, Warrington, Cheshire.

Profit sharing schemes

From Mr. W. Grey

Sir,—Your Industrial Editor's forecast (March 3) of more generous tax concessions in the Budget for profit - sharing schemes is a hopeful augury. Properly conceived and widely applied, such schemes surely offer advantages worth any taxpayer's money.

They can fundamentally transform the pay bargaining climate, and can only do so for the better. By ensuring that at least the profit-related part of the worker's pay is paid out of, not at the expense of, his company's profits, they cannot, like other pay increases might, sap its life-blood. They will thus give workers, like employers, a positive incentive to maximise those profits by identifying with their company's success. And, not least, the workers themselves will be given a positive incentive to work harder, and to cut out unnecessary waste, stoppages and overmanning, for their company's and their own benefit.

The grudging attitude of successive Chancellors towards such an obviously fruitful concept is thus hard to fathom. Let us hope the present Chancellor will seize the opportunity it offers for putting an end to strife and speeding Britain's recovery with both hands.

W. Grey.
12, Arden Road, Finchley N3.

Channel link

From Mrs. A. Keith

Sir,—I wish to express full support for Sir Horace Cutler's letter re a channel link (February 29). The reasons are obvious. A tunnel would leave us, the public, at the mercy of the operator, to wit BR, a nationalised monopoly, and would simply perpetuate the inconveniences and high cost at present associated with the channel ferries. A bridge would provide immediate round-the-clock access, would eliminate the bother of booking date and time of passage in advance, would reduce to a minimum the waste of time necessarily entailed by early reporting and loading of one's car, would be free from the hindrance caused by strikes, official or otherwise. On top of that, the cost of crossing the bridge, i.e. toll and petrol, could only be a fraction of the fares charged for a tunnel crossing.

(Mrs.) A. Keith.
Flat 31, Highlands, 131, Oakleigh Road North, Whetstone N20.

Today's Events

GENERAL

UK: Pay talks resume at negotiating session of the Electricity Council, London.

Mrs. Shirley Williams to introduce a discussion on the theme "Unemployment—need it get worse?" Public Studies Institute, 1-3, Castle Lane, SW1, 2.30 pm.

NEDO and Building Construction Forum discussion meeting on "What's holding up reconstruction of the inner cities?" Institute of Civil Engineers, 1-7, Great George Street, SW1, 6 pm.

Mr. Ronald Hayward, general secretary, Labour Party, speaks at National Union of Mineworkers conference, Mansfield, Notts., 2 pm.

Mr. Cecil Parkinson, Minister for Trade, visits engineering companies in West Midlands.

The Queen attends Thomas Bray 250th Commemorative Service, St. Botolph's Church, Aldgate, London, 5.30 pm.

Mr. William van Straubenzee, Conservative MP for Wokingham, speaks on Faith in the Eighties, St. Paul's Cathedral Crypt, 12.30 pm.

Overseas: Mr. Roy Jenkins, President of the European Commission, in Lisbon for discussions on Portugal's EEC application.

North Atlantic Treaty Organisation senior experts meet in Brussels for talks on medium range nuclear missiles based in Europe.

Agriculture Ministers of Organisation for Economic Co-operation and Development meet for second day in Paris.

Second day of visit by President Valery Giscard d'Estaing of France to United Arab Emirates.

PARLIAMENTARY BUSINESS

House of Commons: New Hebrides Bill, second reading. Proceedings on the Consular Fees Bill and on the Police Negotiating Board Bill.

House of Lords: Debate on the 27th Report of EEC on policies for rural areas in the European Community and the 15th report on policy for agricultural structures. Debate on the report on European Institutions and on the Spierenburg reports.

Select Committee: Agriculture. Subject: Economic, social and health implications for UK of the CAP on milk and dairy products. Witnesses: Consumers in the European Community Group (UK). Room 16, 11 am.

OFFICIAL STATISTICS

UK balance of payments (fourth quarter). Provisional figures of vehicle production (February). Housing starts and completions (January).

COMPANY MEETINGS

Bluemel Brothers, Wolston, Coventry, Warwickshire, 11.30. Grand Metropolitan Hotels, The Lyceum, Wellington Street, Strand, WC, 11.30. Warner Estates, Howard Hotel, Temple Place, WC, 12.15.

A.A.H. advances by £2.3m after first nine months

TAXABLE PROFITS of A.A.H. moved ahead by £2.3m to £6.46m for the nine months ended December 31, 1979, on increased turnover of £240.64m against £189.78m.

Mr. W. M. Pybus, the chairman, says it is impossible to forecast the outcome of the final three months which are very dependent on the weather, but the same rate of growth as in the period now reported cannot be expected.

However, he expects results will be satisfactory and a record figure is anticipated for the full year. For the year ended March 31, 1979 pre-tax profits were a best-ever £6.82m.

A divisional analysis of the nine months' turnover and trading profit (in £000's) shows: fuel distribution—solid fuel 133,967 (110,148) and 2,276 (1,369), oil 29,992 (20,391) and 1,556 (271); builders' supplies 29,786 (20,760) and 1,573 (860); pharmaceutical supplies 22,569 (17,898) and 681 (797); engineering 6,690 (5,033) and 579 (631); agricultural supplies and services 3,676 (3,506) and 170 (392); road haulage 9,035 (7,799) and 867 (586); miscellaneous 4,927 (4,247) and 97 (76).

Trading profits for the period advanced from £4.98m to £7.8m, but were struck before higher interest charges of £1.34m against £0.82m.

The net interim dividend is stepped up from 3.025p to 3.975p per 25p share—last year's final was 3.975p.

	Nine months 1979 £000's	Nine months 1978 £000's
Turnover	240,642	189,782
Trading profit	7,799	4,382
Interest paid	1,335	818
Profit before tax	6,464	4,164
Tax	3,361	2,165
To minorities	1,281	624
Extraord credit	415	—
Attributable to ord.	2,181	1,319

Mr. Pybus says the mild weather since January 1 has reduced demand for solid fuel so that a good rather than exceptional contribution is expected from this side in the last three months.

In the fuel oil division with the market more in balance margins are now contracting and the directors do not expect profits in the future on the same scale as in the reported nine months.

However, they remain confi*dent that oil distribution will* continue to make a valuable contribution to profits and continue to expand the group's network of depots.

The new acquisitions of Moats at Leeds and TSC Holdings have contributed well to the builders' supplies results and this side is seen as a continuing growth area.

● comment

The good news is that **AAH** has made a £415,000 profit on the sale of its German Creek coal interest. The bad news is that German Creek will be producing £50m worth of coal annually for the rest of the century. Frustrated by the difficulties of financing the project ahead of the steel industry slump, AAH reluctantly sold. Now, it is getting back into international coal projects through an indirect stake in Overseas Coal Developments, while retaining a sales contract for much of the German Creek product. It will be a few years yet before OCD spins any money, but with *Shell* and the NCB as partners, the prospects look good. For the meantime, the interim figures look healthy enough. Most sectors performed better. Fuel oil enjoyed a dramatic increase as a result of the post-Iranian shortage. The only danger area is in pharmaceuticals. Half a dozen companies are committed to boosting their market share and weathering out the price war. Some of them at least will have to put their tails between their legs inside three years. The last quarter has been slower for AAH. Mild weather is bad for fuel orders; the steel strike has hit the small refractory business; *while lorries laid off steel* transport are competing with AAH in other distribution sectors. Allowing for a maintenance of last year's fourth quarter profits, a full-year out turn of £9.12m pre-tax indicates a prospective fully-taxed p/e of around 6 at 137p, up 9p. A similar hike in the final dividend would give a prospective yield of eight — the directors are perhaps being too modest about the strength of the balance sheet.

HIGHLIGHTS

Lex studies the formal offer document from **Racal for Decca** which discloses that the losses at Decca are currently running even higher than had been feared. Lex also investigates the complex outcome of **Pilkington's** continental deal with the French group **BSN-Gervais Danone.** The Government's wishes *to find ways of injecting private capital into the British* **Transport Docks Board** is examined and the column speculates on how much the operation might be worth on the stock market. Finally Lex takes a look at the sparkling figures from **Consolidated Gold.** On the inside pages there are comments on **Matthew Clark, AAH and Kode.**

Strike-hit Phicom has second-half setback

FOLLOWING halfway pre-tax profits of £1.03m, the newly-reconstructed **Phicom** group suffered a setback in the second half and pre-tax profits for the year to December 31, 1979, were £1.12m against £1.3m.

A final dividend of 0.55p makes the total 1p as forecast in the Plantation Holdings reconstruction document.

Trading profit for the year was £1.71m before interest of £593,000. The comparable figure for 1978 was £1.68m, this relating to those interests transferred from Plantation Holdings' and treated as if Phicom had owned them throughout the period.

After profits, at the operating level of £1.3m in the first half, the much lower second-half outcome of *£422,000* related *mainly* to the third quarter when there were losses largely due to the effects of the national strikes in the engineering and television industries.

It is estimated that the total resultant loss of profit *due to* direct or indirect effects was in excess of £750,000.

	Year 1979 £000	1978 £000
Turnover	33,405	31,868
Trading profit	1,713	1,683
Instruments	362	740
Light Engineering	714	184
Video Comm.	196	414
Data Comm.	755	538
Losses activities sold	22	193
Interest	593	371
Profit before tax	1,120	1,312
Tax	227	193
Profit after tax	893	1,119
Extraordinary debits:		
Goodwill written off	—	1,865
Other items	89	646
Attributable	804	†1,392
Dividends	407	—

† Loss.

Sales for the companies now in the group were *£32.7m (£29.2m)* despite a low level of business in the video communications division in the aftermath of the strike. The order intake, however, continues at a rate above that for the same time last year.

The instrument division was badly hit by the engineering strike and its consequential effects. It achieved profits before tax and interest of £362,000 (£740,000). Although affected by the engineering strike, the light engineering division made a record £714,000 (£184,000) at the operating level.

Video communications suffered grievously from the strikes in the Independent Television network and the BBC, and from consequent effects in the advertising and other allied industries.

Interest charges for the group increased to £593,000—£222,000 higher than in 1978. Tax absorbed £227,000 (£193,000), leaving £893,000 (£1.12m) representing earnings per 10p share of 2.2p (2.8p). The extraordinary charge, relating mainly to reorganisation costs and the sale of activities, was £89,000.

TraveLodge earnings rise 36%

AFTER-TAX income of **TraveLodge International,** a member of the Trusthouse Forte group, rose by 36 per cent from $527,618 to $717,910 for the first quarter ended January 31, 1980, representing $0.33 per share against $0.25.

Sales for the quarter advanced over 10 per cent to $18.72m, compared with $16.97m, while *income, before tax, reached* $1.41m ($1.06m).

Comparatives have been restated to adjust for the effect of a change in accounting for leases.

Ashley Ashwood

Sir John Clark, chairman of Plessey, who is due today to announce results for the nine months to December 31, 1979.

ISSUE NEWS

Further £2.5m issue by Leigh Interests

Leigh Interests, the Walsall based treatment and disposal group, is raising £2.53m through an issue of 10 per cent Convertible Unsecured Loan Stock 1984-85 in order to buy additional capital equipment and develop sites.

Twenty five per cent of the csh call, which follows rights issues for £2.7m in 1978 and £0.56m *the previous year, is* being subscribed for by CIN Industrial Investments while the balance of £1.8m will be offered by way of rights to ordinary holders of Leigh on the basis of £1 nominal of the stock for every four shares held.

CIN is a company acting as nominee for the National Coal Board Staff Superannuation Scheme and Mineworkers' Pension Scheme. Assuming all the stock is converted CIN's share of Leigh's enlarged capital will be 4.8 per cent.

The stock will be offered for subscription at par and holders will be entitled to convert all or part of their respective holdings into ordinary shares during the month of July in 1982, 1983 and 1984 at the rate of one new ordinary lshare of 5p for every £140p nominal of stock.

In the market the terms were yesterday described as "fair and *reasonable" by a spokesman for* brokers Gilbert Eliott and Co.

At the same time the directors forecast that pre-tax profits for the year ending March 31, 1980 will be roughly £1m, an increase of 50 per cent over the previous *year. On this basis they antici*pate a dividend total of not less than 7.14p on the increased capital.

Explaining the reasons for the issue, the directors state that at the beginning of the current financial year the group was wating for six major planning permissions. Three of these have now been granted "and a significant contribution to the growth in earnings is now being made."

The directors disclose that the decision to allow CIN to subscribe for £0.63 nominal of the stock followed an approach to the company made on behalf of NCB Pensions expressing interest in an investment in Leigh.

Applications were also received from CIN, Norwich Union Life Insurance Society and Britannic Assurance Company to subscribe for a further £1.51m nominal of the stock (60 per cent).

The directors believed, however, that ordinary holders should have the opportunity to participate.

Accordingly, CIN, Norwich Union and Britannic Assurance will only be satisfied by the allotment of any stock not otherwise taken up or sold on behalf of the provisional allottees, on the basis that the first £1.26m nominal will be subscribed pari passu by CIN and Norwich Union and the next £0.25m nominal by Britannic Assurance.

The balance of the issue—*£0.38m nominal, equal to 15 per* cent of the issue—has been underwritten by Kleinwort Benson. Brokers are Sheppards and Chase.

Last night Leigh's share price was standing at 129p, down 4p.

Sutton Water to raise £3m

An offer for sale by tender has been launched by **The Sutton District Water Co.** to raise £3m.

The offer is of 10 per cent Redeemable Preference Stock at a minmum price of £98 per cent, redeemable at par on March 31, 1983.

Tenders for a minmum of £100 stock have to be made before March 12 with a deposit of £10 per cent on application.

The first dividend will be £5.175 per cent payable on October 1, 1980. Thereafter they will be paid half yearly on April 1 and October 1.

Brokers to the issue are Seymour, Pierce and Co.

● comment

The terms of the latest water issue from Sutton are altogether different from other recent issues, so it is difficult to make comparisons. However, against similar dated gilts, Sutton's flat *yield of 14.57 per cent or 15.11* per cent to redemption has a slight edge while the 21.26 per cent available for franked income investors looks very attractive. The issue should go well if market conditions do not change radically but anything can happen over the next week.

Kode static but boosts payment

FOLLOWING a reduction in secind-half profits to £478,000 against £642,000, the 1979 full year taxable surplus of **Kode International,** computer equip*ment manufacturer,* was unchanged at £1.25m. At the midway stage, profits had increased from £608,000 to £775,000, but the directors warned then that the second half was being adversely affected by outside industrial disputes.

Total net dividend is stepped up from 5.2475p to 6.58p with a final of 4.369p.

Although the immediate prospects must be clouded by the uncertain economic outlook, the directors point out that investment decisions are made with a view to long term maturity. They have sufficient confidence in the future, reinforced by an increase *the order book compared with* this time last year, to maintain the group's investment policies and thus ensure future growth.

Turnover for the year improved from £7.52m to £8.5m and after higher tax of £495,000 *(£218,000),* stated earnings per 25p share are 17.42p against 23.75p.

● comment

For a company involved in both *high technology electronic pro*ducts and defence-related contracts, Kode might have been expected to have done better than its maintained profits level. The market seemed to think so yesterday and sent the share 21p down to 205p. But there were special problems which damaged the steady growth record. The engineering strike may have cost around £200,000 in forfeited profits for the group. There was also a £140,000 write-off for a now obsolete product line. It looks very much as though Kam Circuits, the components business, was the saving grace which allowed a maintained pre-tax figure rather than a drop for the *group. Kam was able to do well* with its custom-made products and has roughly doubled profits to £720,000. The computer terminal side of the business, in the shape of Kode Limited, just broke even after the write-off. Since Kode sells a small number of costly terminals (around £40,000 each), it is vulnerable to a recession in which spending on capital equipment is cut back. But the company says that its order book is now full and there should be a pick-up in the current year, particularly in Moore Reed, a defence related business. The total net dividend has been raised 25 per cent and yields 4.6 per cent. The p/e *comes* to around 14 on a full tax charge.

Peak Investments takes action against Nissa

Peak Investments, the loss-making caravan chassis and property investment group, has started legal proceedings for the recovery of the balance of the consideration due from the sale of its electronics interests to Nissa, an Irish company, in which the chairman and manag*ing director* of Peak between them have a 70 per cent stake.

Peak sold its profit making electronics interests a year ago for a total of IR£650,000 but under the deal debts of £296,415 owed by the electronics arm to Peak were not transferred to the purchaser. Under the sale agreement the sum of IR£100,000 was payable to Peak on or before February 7 as deferred, final consideration for the acquisition.

Peak claims that to date only IR£35,000 of this sum has been paid by Nissa (now renamed Peak Electronics)—in which Mr. John Finch, chairman of Peak Investments hold 56 per cent of the equity and Mr. John Bloice, *managing director,* 14 per cent. *The board* of Peak Investments has instituted proceedings in the Irish Republic to recover the balance of IR£65,000 and interest outstanding.

At the time of the sale Mr. R. Dingle, a director, said that the electronics interests had made a consistent contribution to group profits but recommended the disposal on the grounds that "it is of major *importance* to the company that there should be a cash injection."

In December, 1978, the group reported a turnround from a pre-tax profit of £211,069 to a loss of £45,848 for the year ended *May 31, 1978, after a loss of* £209,433 by the caravan subsidiary Peak Trailers.

The directors were optimistic about the future of Peak without the electronics interests but in November, 1979, the group showed an increased loss of £207,179. Profitable trading was expected to return in the second half of the current year.

£1.8m debts estimated at Gilmore

MR. ALAN SALES, the Official Receiver for the collapsed meat trading company Gilmore and Partners, said yesterday that the company's debts had been estimated at £1.8m and its assets at £125,850. He spoke at a meeting held at the Official Receiver's office in London, attended by Gilmore creditors.

At the meeting, the creditors approved a resolution for the appointment of Mr. Ian Bond, a chartered accountant at Deloitte Haskins, as Liquidator. He follows Mr. Roger Cork of accountants Cork Gully, who had earlier served in this job.

Mr. Sales also told creditors at the meeting that he would be investigating the statement by former director Robin Gilmore that some meat had been sold at *less than cost by the company.*

SPAIN

March 5	Price %	+ or —
Banco Bilbao	226	—1
Banco Central	256	—2
Banco Exterior	213	
Banco Hispano	225	—1
Banco. Ind. Cat.	135	
Banco Madrid	156	
Banco Santander	272	—1
Banco Urquijo	174	—1
Banco Vizcaya	236	—2
Banco Zaragoza	209	
Dragados	102	+2
Espanola Zinc	59	
Fecsa	57.20	+0.2
Gal. Preciados	35	
Hidrola	64	—0.2
Iberduero	60	—0.2
Petroleos	109	—1.2
Petroliber	63	
Sogefisa	113	—2
Telefonica	65.20	
Union Elect.	63	

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
AAH ... int.	3.48	March 31	3.03	—	7
Matthew Clark ... int.	2	April 14	1.8	—	7.3
Consd. Gold Fields §int.	7.5	April30	3.51	—	13.51
Crossfriars Trust ... int.	2	April 3	1.35	—	4.17
Hallam, Sleigh & Chstn.	Nil	—	0.67	Nil	1.34
International Inv. Tst. ...	2.33	May 5	1.63	3.8	2.94
Kode International ...	4.37	—	3.41	6.58	5.25
McLaughlin & Harvey ...	3‡	May 9	2.7	3	2.7
Phicom ...	0.55	—	—	1	—

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Against November *1979 forecast of 2.75p. § To reduce disparity.*

M. Clark up at 8 months and expects better year

DESPITE generally poor trade in November and December, pre-tax profits of **Matthew Clark and Sons (Holdings)**, wine and spirit shipper and merchant, rose from £1.6Sm to £2.17m in the eight months to December 31, 1980, an improvement the board regards as satisfactory.

Reporting total profits for last year of £2.23m (£1.9m) in September, the directors stated that the first four months of the current year were distorted by heavy pre-Budget buying.

The present rate of growth is not expected to continue in the final four months, they now state, although profits for the full year are likely to be higher than those of 1978/79.

The interim dividend is raised from 1.8p to 2p net—last year's total was 7.3p.

After deduction of Customs and Excise duty, turnover for the eight months rose from £22.01m to £23.53m. Minority holders in one subsidiary take £592,000 (£349,000).

● comment

Matthew Clark's latest figures testify to the British public's ability to keep drinking regardless of what it costs. Despite dull sales volume all round—the turnover gain ex-Duty is only 6.8 per cent—Clark has managed to push up net trading profits by close to 30 per cent. A feat largely achieved by price increases. The sharp jump in minority charges reflects the buoyant performance of J. E. Mather's Old England British Wines where volume has been static but a 10.6 per cent price increase in January 1979 and increased efficiency at the plant lifted the profit contribution by around two-thirds. Stone's Ginger Wine experienced a volume setback but it too recorded better profits thanks to higher prices. Finally, the Martell agency, the jewel in the Clark crown, also produced higher returns in spite of a volume slide in common with Cognac generally. The closing months of the eight-month period took in some slack trading as the usual Christmas buying spree took time to get into its stride. January saw some element of restocking and though there will be the annual event of pre-Budget buying the closing four months are unlikely to measure up to the excellent period last year when Martell sales were very high. At 144p the prospective p/e and yield of perhaps 7 and 8 per cent is a reasonable rating for the shares. No doubt a brewery major might like to swallow the company up but the directors control around a third of the equity and there is no firm contract with the Martell company. A potential bidder could not rely on a continuation of the agency and without it Clark is a different proposition altogether.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims — Hunt and Moscrop, Mitchell Cotts, Staffordshire Potteries, Stocklake.

Finals—Corah, Davies and Metcalfe, Galliford Brindley, Greenfields Leisure, Law Debenture, Lunuva (Ceylon) Tea and Rubber Estates, Needlers, Royal Dutch Petroleum, W. N. Sharpe, "Shell" Transport and Trading, Taverner Rutledge.

FUTURE DATES

Interims—	
Banks (Sidney C.)	March 27
Barratt Developments	March 17
Howden Group	March 27
Scottish Metrop'tan Property	March 28
Finals—	
BTR	March 17
Cape Industries	April 1
Charterhouse Group	March 27
Comben	March 18
Early (Charles) and Marriott	March 28
Hiltons Footwear	April 2
Noble and Lund	March 14
Relyon P.B.W.S.	March 17
Robinson (Thomas)	March 12
Rosedimond Invest. Trust	March 11

Brasway to hold steady

In a letter to Brasway shareholders, Mr. R. A. Swaby, chairman, says he is confident that provided the steel strike does not escalate, pre-tax profits for the current year will not be less than the £458,000 of 1978-79.

However he reminds shareholders that expenses from a recent court case in which a group subsidiary was involved were considerable "and therefore our annual profit will be reduced accordingly."

Summonses were served on Brasway last year arising out of operations of the waste disposal division between 1973 and 1976. The chairman says that before the prosecution case was completed in the Crown Court at Wolverhampton, the jury were directed by the Judge to return verdicts of not guilty "so far as this company was concerned on every charge," says the chairman.

Slump at Hallam, Sleigh

A PRE-TAX loss of £29,000 for the year to September 30, 1979 is reported by **Hallam, Sleigh and Cheston**, Birmingham-based general engineer. In the previous 12 months the company had a pre-tax profit of £158,000.

No interim dividend was paid (0.67p) and now no final is being recommended—last year's total was 1.34p. In their interim report, the directors had hoped to pay an increased final dividend from an expected "substantial increase in profitability." First half figures showed a pre-tax profit of £15,000 from turnover of £2.83m.

For the full year turnover was £5.99m, slightly lower than expected, against £4.8m. There was a tax credit of £18,000 (£48,000 charge), and an extraordinary debit of £57,000 (£47,000 credit).

Loss per 10p share is 0.6p (earnings 3.05p).

Since the summer, order intake at the company's subsidiary, Transtrip, has been unsatisfactory as they were adversely affected by the worldwide downturn in demand for leisure products unrelated to home improvement or gardening, and trading losses have been incurred, states the chairman.

It has been decided since the year end, therefore, to dispose of Transtrip, the sale of which, in addition to sales of property, has resulted in a satisfactory improvement in the cash flow position.

REPORTS TO MEETINGS

Blundell-Permoglaze well up on budget in first four months

THE FIRST four month's trading in the current year at **Blundell-Permoglaze Holdings** were well up on budget, Mr. N. G. Bassett-Smith, chairman, told holders at the annual meeting.

But the steel strike did not place him in a much better position to forecast than when he issued his statement in January.

However, the group had demonstrated its ability to react quickly to changing conditions and, if the steel strike ended in the near future, holders could expect another satisfactory result, he added.

Three non-executive directors —Mr. C. C. Longstaff, Mr. C. C. Mell, and Mr. A. R. Rees-Reynolds —yesterday retired and resigned from the board. They did not seek re-election on the grounds of age.

At another AGM, Mr. Francis D. Ley, chairman of **Ley's Foundries and Engineering**, said Ley's George Fischer (Lincoln) incurred substantial redundancy costs in the first quarter as it was necessary to reduce the work force owing to the low demand for the castings its produces.

The factory was at present working at a low level of production because of the effect on its customers of the steel strike and the need to decrease the high quantity of work in progrss.

It was anticipated that the company would incur a loss in the current year, half of which would be suffered by the group, he added.

During the first quarter the tonnage shipped by Ley's Malleable Castings from its foundry in Derby was 85 per cent of the tonnage sold in the same period last year because of a fall in sales to the U.S. and a strike at a factory of a major customer in England. As a result, the profit earned in the period declined sharply.

In the current quarter, the steel strike had led to short time working in certain departments. If the dispute continued much longer, it could become necessary to introduce further cutbacks in production which would have a serious impact on the profitability of the company this year.

The chairman said Ewart Chainbelt recorded a slight increase in turnover in the first quarter, compared with the same period of the previous year, but half-year sales were expected to be lower than last time.

Increasing competition, particlarly from overseas, was the main reason for a fall in the forward order book and a reduction in profit margins.

MINING NEWS

A record first half for Gold Fields

BY KENNETH MARSTON, MINING EDITOR

AS EXPECTED, record half-year *results are announced by London's* **Consolidated Gold Fields** in which South Africa's **De Beers** and **Anglo American Corporation** have recently acquired a joint 25 per cent stake following what is thought to have been a shadowy contest between opposing South African interests.

Gold Fields is boosting its interim for the year to June 30 to 7.5p compared with 3.5p last time and the total for 1978-79 of 13.5p. A sting in the tail, however, comes with the group's comment that the rise in the latest interim "is also designed to improve the balance with the final dividend.

In view of the fact that over half Gold Fields' net profits are provided by gold, it is not surprising that group earnings for the past half year have advanced to £38.3m from £21.3m in the same period of the year to last June when the year's total reached £56.2m.

Apart from the rise in income from gold, which comes partly via the 46 per cent stake held in **Gold Fields of South Africa** and partly from the direct interests held in the South African gold mines, advantage has been also taken of the buoyancy of last year's gold share market to boost share-dealing income.

But, as Lord Erroll and Mr. Rudolph Agnew, respectively chairman and group chief executive point out, all sectors of the group's business have contributed to the rise in earnings. Pre-tax profits of the UK and U.S. construction materials activities, for instance, have risen by 23 per cent.

	Half-year to 31.12.79 £m	31.12.78 £m
Construction materials	24.7	20.1
Manf. and Comm. ...	13.6	11.0
Subsidiary mining cos.	9.0	4.0
Share of GFSA	10.9	7.6
Gold divs. from direct hldgs. in mines ...	12.4	8.2
Realsn. of invests., non-gold divs. and int. receivable (net)	9.6	2.6
Making	80.2	53.5
Interest payable	9.2	8.5
Profits before tax	71.0	45.0
Minority interests ...	6.6	3.8
Attributable	38.3	21.3
Earnings per share (hist. cost basis) .	25.9	14.5
Earnings per share (current cost basis)	15.5	N/A

Manufacturing and commercial *activities have also done better,* including the U.S. **Azcon** steel division despite the U.S. recession. As already reported, the money-spinning **Renison** tin mine in Tasmania earned record profits and the **Mount Lyell** copper operation there moved out of losses to profits. In South Africa, the big **Black Mountain** base-metal mine came to production ahead of schedule and below budget.

As to future prospects, the group sees these as "excellent" and anticipates further growth in all main lines of activity. Certainly, the current half year will bring a fresh rise in gold income. What else it may bring remains to be seen, but the impression is still that we have not seen the end yet of the Anglo group-Gold Fields story.

Following the latest results, Gold Fields shares rose to 535p before reacting on profit-taking to close with a net rise of 10p at 528p.

See Lex

Minorco: last figures in the old style

MINORCO, an investment and finance arm of **Anglo American Corporation of South Africa,** registered in Bermuda, yesterday announced net profits for the six months to December of $35.13m (£15.67m) before extraordinary profits of $2.49m relating to the write back of provisions previously made against an investment.

Earnings after extraordinary items in the first half of the 1978-79 year were $7.14m, but the two sets of figures are not comparable. Different methods of accounting have been introduced and the results of the wholly-owned **Zamanglo Industrial Corporation** have been deconsoliated.

The latest figures are the last before the re-arrangement of investment interests with **Charter Consolidated, Anglo American** and **De Beers** come into play. This re-arrangement became effective in early December.

Minorco has already declared an interim dividend of four cents. It predicted total payments for the year of 19 cents had the re-arrangement been effective for the whole of the financial year. Payments for 1978-79, and indeed the two previous financial years, were 12 cents.

Meanwhile **Zambia Copper Investments (ZCI),** which is 49.9 per cent owned by Minorco and *effectively dominated by it,* has announced a net profit, after an extraordinary item, for the six months to December of $1.5m, compared with earnings of $338,000 in the first half of 1978-79, and a loss of $1.8m for the whole of 1978-79.

ZCI's revenue is derived from *a 39.9 per cent stake in* **Nchanga Consolidated** and a 9.8 per cent stake in **Roan Consolidated,** the two major Zambian copper producers.

In London yesterday, Minorco shares were 364p and ZCI shares were 43p.

Grootvlei receives new lease of life

THE STRENGTH of the bullion price has given **Grootvlei,** the South African gold mine in the **Union Corporation** group, a new lease of life and stayed the execution of **Marievale,** another gold mine in the same group.

At gold prices of $400—more *than $200 lower than the prevailing* market level—the life of Grootvlei "could be extended to possibly more than eight years." Mr. W. R. Weeks, the chairman, says in his annual statement, published today.

At Marievale, where the milling of surface waste dumps was *once expected to finish* this month, it is now estimated that there is sufficient dump tonnage to continue operations into next year. And, says Mr. Weeks, "at a pay limit based on a gold price of $400 an ounce, underground operations on a limited scale should also be possible during this period."

Grootvlei is opening up previously abandoned areas of the mine and hopes to increase its annual milling rate to 1.8-1.9m tonnes from the 1.6m tonnes worked in 1979. But Mr. Weeks warns shareholders that this will push up operating costs. Drilling of the Kimberley reef horizon will continue this year, but so far three out of four holes have had poor results.

Development prospects for Marievale, however, are not so bright. Mr. Weeks states that at a gold price of under $400 an ounce capital expenditure to open up the remaining blocks of possible interest in the mine and to continue even limited under*ground operations is not* warranted.

Further, the volatile state of the gold market does not justify basing an assessment on prices above $400 and, "it will not be possible to take any major decisions until the gold market stabilises," Mr. Weeks adds.

In London yesterday Grootvlei shares were 406p and those of Marievale were 183p.

OIL AND GAS NEWS

Pennzoil gas find in North Sea

BY STEPHEN THOMPSON

A CONSORTIUM of European and U.S. companies, with **Pennzoil Nederlands** as the operator, has made a second natural gas discovery in the Dutch sector of the North Sea.

The find was made on Block K/10, about 100 miles northwest of The Hague and is located 3.5 miles northeast of a previous discovery announced last December.

The latest well, K/10-6C was drilled to a total depth of 10,653 feet and tested gas at rates of up to 36.7m cubic feet daily from selected perforations at 10,069 to 10,088 feet. Pennzoil said yesterday that the significance and extent of the discovery can be determined only after further evaluation.

Pennzoil has an 8.36 per cent stake in the well. Other major participants in K'10-6C include **Amoco Nederland,** with 30 per cent, **Veba Oil,** with 20 per cent, **Exploratie-en - Produktiemaatschappij Dyas B.V.** with 10 per cent, **Amax Petroleum,** with 8.36 per cent and **Delfzee,** also with 8.36 per cent.

London's mining finance house, **Selection Trust,** has a 3.70 per *cent stake in the well through* its wholly-owned subsidiary **Noordzee Selection B.V.**

* * *

SASOL, South Africa's oil from coal producer, has commenced production of unrefined oil at its SASOL 2 project. The first saleable products are expected *to be available in a few months,* according to J. A. Stegmann, SASOL's chairman.

The oil production facility is one of seven similar units at SASOL 2. The other six are due to be commissioned in the next 12 months. It is expected that full production at SASOL 2 will be reached towards the end of 1981.

The project is being completed within the original cost estimate of R2.5bn, Mr. Stegmann concluded.

McLaughlin & Harvey ahead

COMPARED with last November's forecast of not less than £850,000 pre-tax profit for 1979, **McLaughlin and Harvey,** Ulster-based building contractor reports a profit result of £980,000 against £673,000 in the previous year.

The directors made their forecast in a placing document for dealing in 0.93m of the ordinary shares under Rule 163 (2) of the Stock Exchange.

A dividend of 3p on increased capital is recommended for the year, ahead of the expected 3.75p (2.7p). Stated earnings per share are 14.3p against 8.2p.

Herrburger Brooks up midway

FOR the half year ended November 30, 1979, **Herrburger Brooks,** maker of piano actions, keys and hammers, reports pre-tax profits up from £85,184 to £151,755 on increased turnover of £2.49m compared with £2.25m.

The result reflects effects of efficiency and quality programmes introduced in response to escalating production costs, the directors say. Current indications are that the year's re*sult should fully reflect these* improvements.

First half profits are after interest of £20,662 (£20,155). Tax charge is £73,000 against £44,300.

In the year to June 30, 1979, the group, controlled by **Kimball International** of the U.S., reported pre-tax profits up from £208,000 to £240,000.

Two Talbex directors resigning

Mr. P. M. Catto and Mr. R. A. Lacelles who were part of the Artoc Bank representation on the **Talbex Group** board have announced their resignations as Talbex directors.

Artoc Bank pulled out of the Talbex Group in May last year less than 18 months after acquiring a 29.88 per cent stake. The largest part of the stake, 12.1 per cent, went to Yorkgreen Investments with the Yorkgreen chairman, Mr. David Green, acquiring 10.6 per cent.

Also announced yesterday was the appointment to the Talbex board of Mr. F. Marley as an executive director.

ALBRIGHT AND WILSON

Albright and Wilson has reorganised its six existing UK business sectors into four divisions; these are phosphates, detergents, agricultural and Bush Boake Allen.

BIDS AND DEALS

Narby increases tactical stake in Furness Withy

Mr. Frank Narby, the shipping entrepreneur, has said that although Dolphin Investments, his family investment vehicle, holds a 9.6 per cent stake in Furness Withy, the British shipping group currently in receipt of a £96.5m cash bid from C. Y. Tung, of Hong Kong, his company has no present intention of making a bid.

"We prefer to avoid joining in an action for Furness Withy which could only lead to the successful bidder paying more for the company than its potential earnings could justify," he said.

Dolphin and Helix Investments, essentially the interests of the Webster family of Canada, hold 9.6 per cent and 3.3 per cent respectively of Furness after the stake was 390p per share.

Mr. Narby said that he and Mr. Chee Hwa Tung, the son of the founder of C. Y. Tung, Hong-Kong's second biggest shipping group, had held extensive discussions in London and Switzerland in the past three weeks over establishing "harmony with the eastern Canadian container trade."

He said that Dolphin and Helix, who have reached an informal agreement to act together over purchases and disposals of Furness shares, "are unlikely to accept any bid for Furness Withy which does not include some prior agreement acquisition of 90,000 shares in Furness, announced yesterday. The price paid for the latest regarding rationalisation of the North Atlantic container interests involved. Any arrangements involving Manchester Liners, a principal subsidiary of Furness, "would also require the consent of UK authorities."

Mr. Narby said that while the talks with Mr. Tung had been friendly and useful "no harmonisation of the different interests has yet been achieved."

Eurocanadian Shipholdings, the company which Mr. Narby once headed, is in the process of selling a 37.6 per cent stake in Manchester Liners to Canadian National Railways, one of its own shareholders.

KWIK-FIT BUYS GARAGE FOR £0.38M

Kwik-Fit (Tyres and Exhausts) (Holdings) has exchanged contracts for the acquisition of the Davenport Garage.

Davenport owns a large site with a garage and workshop at Buxton Road, Stockport, Manchester, from which it has carried on the trade of motor dealer. This trade is being discontinued and Kwik-Fit will convert the premises into a tyre and exhaust fitting depot.

The consideration for the acquisition is £380,000 subject to reduction or increase dependent upon the net amount realised for the assets of Davenport other than the property.

Subject, as mentioned above, £350,000 of the consideration will be satisfied by the issue of 514,706 ordinary shares of Kwik-Fit, valued at 68p per share.

The vendor has expressed his intention of retaining these shares.

HEAVITREE BREWERY

Details of the proposed reorganisation of the share capital of Heavitree Brewery were yesterday posted to shareholders, who will be asked for their approval at an extraordinary meeting on March 28.

The proposals consist of a scrip issue of new 11½ per cent cumulative preference shares of £1 each on the basis of five preference shares for every four ordinary shares and/or "A" ordinary shares. In addition, holders of the three existing small classes of preference shares will be asked to consent to the cancellation of their shares in consideration of the issue of new preference shares.

The company is applying for a listing of the new preference shares.

LONDON UTD. INV./ R. L. JARRETT

London United Investments has acquired 80 per cent of the business of R. L. Jarrett (Underwriting) Agency Inc., formerly known as Richard L. Jarrett Sr. Completion, in the U.S., was on February 29, 1980.

Details of the transaction which were given on December 20, 1979, are unchanged.

ASSOCIATED TOOLING

Mr. J. M. Peutherer, a retired businessman, has purchased a 7.07 per cent stake in Associated Tooling Industries.

Mr. Peutherer, who claims to have stakes in several other companies, said yesterday that he bought the 123,500 shares as a sound investment. He was satisfied with this level at present but said he might raise it to 10 per cent later if he considered it appropriate.

Paradyne U.S. withdraws its offer for CASE

A SNAG appears to have arisen in the plan by the Paradyne Corporation of the U.S. to take over Computer and Systems Engineering (CASE), a small company which makes and markets communications and electronic equipment, in which the National Enterprise Board has a 27.8 per cent stake.

In a brief statement yesterday the two companies announced that Paradyne, a Florida-based independent manufacturer of data communications equipment, had withdrawn its conditional offer to acquire the CASE capital.

CASE would not comment on reasons for Paradyne's decision, but dismissed as over-pessimistic the suggestion that the takeover had hit problems. The two companies were still negotiating the basis for a possible merger, the company said.

Whatever the outcome of the talks the two sides confirm their intention to continue the arrangements whereby Paradyne products are distributed in the UK by CASE.

Paradyne announced its £4.9m agreed bid for CASE at the end of last September. It was offering 550,000 shares at $19.25 each which represented about £4.62 per CASE preference shares and £3.70 per ordinary share.

Paradyne said then that it planned to expand CASE's operation to include additional manufacturing marketing and development activities and to enlarge the company's marketing base in Europe.

In 1978, Paradyne reported a pre-tax profit of $3.09m on a turnover of $26m. And in the first six months of 1979 the company showed profits of $2.3m on sales of $17.4m.

CASE's reported sales and profits for the year 1978 were £6m and £335,000 respectively.

CARLTON REAL EST. IS PURCHASER OF GILGATE PROPERTY

Carlton Real Estates, a company whose shares are dealt in on the Stock Exchange under rule 163 (2), has emerged as the purchaser of the Lancaster property of Gilgate Holdings in a deal worth £750,000.

Gilgate, the property and insurance group which is the subject of a major Department of Trade investigation, announced the sale last month but did not name the purchaser.

Carlton said yesterday that the 55-acre Lune industrial estate, purchased from Gilgate Properties, gave a current rental income of £118,000 per annum derived from 38 units covering 11 acres.

Carlton has already drawn up plans for refurbishment of some of these units and phased redevelopment of the remaining 44 acres.

Funding for the purchase has been accomplished with the aid of £600,000 provided by the industrial finance branch of the National Coal Board Pensions Funds.

Condale Properties, the subsidiary of Carlton through which the purchase is being made, and the National Coal Board Pension Fund will share in the net rental revenue "as to NCBPF £40,500 per annum, representing a yield of 6½ per cent on the £600,000, and 25 per cent of the net retail revenue." Condale will receive the remainder of the net rental revenue.

Under the terms of the agreement with Condale, NCBPF is entitled to 25 per cent of the capital value of the estate and there is a mutual option exercisable by either party for Condale to buy out NCBPF after 20 years.

In his letter to shareholders, Carlton's chairman, Sir David Roche says that the deal will "provide an immediate boost to both assets and earnings." Moreover it was indicative of its policy of changing the emphasis of the group from property trading and refurbishment to institutionally financed long-term development.

MORGAN EDWARDS SEES PROFITS RISE

SHARPLY HIGHER profits are forecast for Morgan Edwards, the grocery company, in the formal document for the bid by Louis C. Edwards (Manchester), the meat trader.

The proposed merger represents a combination of the food interests of Mr. James Gulliver and the deal values Morgan Edwards at around £4.6m.

Morgan Edwards is expected to produce pre-tax profits of around £350,000 in the year to March 31, 1980, a sharp improvement from the £30,000 earned the previous year and the 1977-78 loss of £492,000.

Total sales of the enlarged group would be about £70m, with combined net assets amounting to £9.09m. Louis Edwards profits totalled around £758,000 in 1979.

Gulliver Foods, chaired by Mr. James Gulliver, has accepted the offer for its 29.9 per cent stake, as have Morgan directors and their families for 21.2 per cent.

Automatic Switch buys UK licensee for £1.25m

Automatic Switch Company (Amex), of Florham Park, New Jersey, U.S., has bought Dewraswitch, its UK manufacturing and marketing licensee, for $2.8m (£1.25m).

Dewraswitch, with headquarters in Skelmersdale, Lancs., was a successor to Dewrance and Co., with which Automatic Switch made its original licensing agreement in 1959. Dewraswitch makes and sells Automatic Switch's products, primarily for the UK market.

Mr. Edward R. Ebrhard, president and chief executive of Automatic Switch, said: "The acquisition of Dewraswitch gives us the leading manufacturing and marketing organisation of solenoid valves in the UK."

Automatic Switch Company, with 1979 revenues of $126m, is a major international manufacturer of control equipment used for the automation of machinery, equipment and industrial processes and the control of electric power.

BUNZL PULP DISPOSALS WILL CUT BORROWINGS

Giving full details of the disposal of Bunzl and Biach and of a 25 per cent stake in Molnar and Greiner, Mr. G. G. Bunzl, the chairman of Bunzl Pulp and Paper says that the sale will result in lower borrowings and put the group in a strong position to finance the expansion of other activities.

The chairman says that the group's strategy is to increase its interests in specialised packaging and plastics both in the UK and overseas. BPP's interests in paper and pulp merchanting will be expanded and further possible areas of expansion are testing and control equipment, medical supplies and industrial filtration.

Mr. Bunzl said that arrangements have been made to maintain the commercial links which have been built up with Bunzl and Biach over a long period.

At January 31 last, Bunzl Pulp group had outstanding bank loans and overdrafts of £22.1m. A pro-forma balance sheet at December 31, 1978, giving effect to the disposals, shows bank overdrafts and loans at £5.4m compared with a published figure at that date of £23.5m.

OLIVER RIX ACQUISITION

Oliver Rix (Garages) of King Street, Lancaster, will be acquiring the Dutton Forshaw premises in Penny Street and Willow Lane, Lancaster, on March 31.

The acquisition comes as a result of the BL refranchising plan. As many of the staff as possible will be offered continuing employment.

SHARE STAKES

Warren Plantation Holdings—On February 26, S.A. S.I.P.E.F. N.V. became interested in 424,000 shares (5.04 per cent).

London and Liverpool Trust—Company says on January 3, Killarney Investment Company disposed of its holding of 202,500 shares (6.23 per cent). No notification has been received from Killarney which accounts for the delay in notification.

Metal Closures Group—Britannic Assurance Company is interested in 1.3m shares (6.46 per cent) Britannic previously held 1.03m (5.09 per cent).

Cattles (Holdings) — R. W. Chapman, director, sold 20,000 shares at 30p on February 29.

Tor Investment Trust — Barclays Nominees (St. Pauls) Fund "A"—Ford Group Pension Fund — have acquired 16,754 capital shares making holding 256,754 (10.24 per cent). Pegasus Nominees have acquired 25,000 income shares making holding 245,001 (6.51 per cent) and have also acquired 40,000 capital shares making holding 222,000 (8.85 per cent).

Castings — ITC Pension Trust jointly with ITC Pension Investments has bought further 60,000 shares making holding 486,666 (7.197 per cent).

Dom Holdings—Mr. D. O. McIntyre, director, disposed of 375,000 ordinary shares.

City of London Brewery and Investment Trust—A trust which includes Lord Remnant, director, has purchased 46,000 deferred shares.

Wace Group—Mr. I. W. Hewson, director, disposed of 7,202 ordinary shares, and Mr. R. Ordoyno, director, disposed of 3,333 ordinary.

Herrburger Brooks — County Bank Smaller Companies Exempt Fund has acquired 66,500 ordinary (5.09 per cent).

Five Oaks Investments — Security Growth holds 378,500 ordinary shares (9.10 per cent).

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.290	17	4	—	—	—	—	F.282
AKZ C	F.25	30	1	45	1.50	—	—	F.24.90
AKZ C	F.27.50	—	—	23	0.80	—	—	"
AKZ C	F.30	10	0.10	5	0.30	—	—	"
AKZ P	F.25	2	1	—	—	—	—	"
ARB C	F.60	5	1.30	—	—	—	—	F.59.50
HEI C	F.65	1	3.50	—	—	—	—	F.65
HEI C	F.70	80	1.20	—	—	—	—	"
HEI C	F.75	—	—	—	—	1	3.50	"
HEI P	F.65	1	2.20	—	—	—	—	"
HO C	F.20	—	—	—	—	4	3.60	F.21.30
IBM C	$55	—	—	5	5½	—	—	$63⅜
IBM C	$70	1	1	—	—	—	—	"
KLM C	F.70	136	4.10	15	7.20	—	—	F.70.50
KLM C	F.80	101	0.60	25	2.70	12	3.50	"
KLM P	F.60	37	0.80	10	2.30	1	3.50	"
KLM P	F.70	52	3.80	—	—	—	—	"
NN C	F.110	10	4	—	—	—	—	F.112.40
PET C	Fr.6000	10	140	2	220	5	380	Fr.5700
PET C	Fr.6500	3	35	—	—	5	230	"
PHI C	F.17.50	—	—	5	2.30	10	2.80	F.18.90
PHI C	F.20	—	—	143	1	30	1.30	"
PHI C	F22.50	—	—	53	0.40	—	—	"
PHI C	F.25	—	—	200	0.10	—	—	"
PHI P	F.20	—	—	2	1.60	10	1.70	"
PHI P	F.22.50	69	3.50	10	3.90	—	—	"
RD C	F.140	6	30	—	—	—	—	F171.30
RD C	F.150	17	21.20	35	24	—	—	"
RD C	F.160	239	14.30	247	15.50	—	—	"
RD C	F.170	584	7.30	412	9.20	119	11.50	"
RD P	F.150	220	0.40	20	2.70	—	—	"
RD P	F.160	72	2.20	5	5.70	10	7.50	"
RD P	F.170	15	5.50	45	9.50	—	—	"
UNI C	F.110	5	6.80	—	—	—	—	F113.80
UNI C	F.115	10	3.50	—	—	—	—	"
UNI C	F.120	20	1.50	1	3.20	2	5	"
UNI C	F.130	111	0.20	—	—	—	—	"
UNI P	F.110	27	1.40	—	—	—	—	"
		May		Aug.		Nov.		
BAS C	DM.160	—	—	6	3	—	—	DM147.50
MMW C	DM.130	1	5.50	—	—	—	—	DM125.50
SIE C	DM.280	—	—	4	12.40	—	—	DM259.50
SLB C	$100	2	17⅛	—	—	—	—	$112
VEB C	DM170	—	—	4	4.50	—	—	DM159
VW C	DM.180	5	11.50	3	15.80	—	—	DM185
VW C	DM.190	—	—	10	9.80	—	—	"

TOTAL VOLUME IN CONTRACTS 3390

C=Call P=Put

ZAMBIA COPPER INVESTMENTS LIMITED

(Incorporated in Bermuda)

REPORT FOR THE HALF-YEAR ENDED 31st DECEMBER 1979
UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31st DECEMBER 1979

	Six months ended 31.12.79 U.S.$000's	Six months ended 31.12.78 U.S.$000's	Year ended 30.6.79 U.S.$000's
Dividend income	579	4	7
Interest income and other revenue, less provision (Note 1)	962	1 029	1 974
Profit on redemption of loans	100	54	79
Profit arising from currency fluctuations	609	4	473
	2 250	1 091	2 533
Deduct:			
Administration expenses	252	438	747
Interest payable	255	—	131
	507	438	878
Profit before taxation and extraordinary item	1 743	653	1 655
Foreign taxation	13	315	631
Profit before extraordinary item (Note 2)	1 730	338	1 024
Extraordinary item deficit	(200)	—	(2 838)
Profit (loss) after extraordinary item	1 530	338	(1 814)
Transfer from share premium	—	—	2 838
	1 530	338	1 024
Unappropriated profit brought forward	1 517	493	493
Unappropriated profit—31st December 1979	3 047	831	1 517
Appropriations:			
Dividend	Nil	Nil	Nil
Unappropriated profit carried forward	3 047	831	1 517
	3 047	831	1 517

Notes:

1. Interest receivable for the period is shown gross of withholding taxes, the tax deducted being included in the charge for foreign taxation.
2. Profit before extraordinary items includes US$1 103 896 (31st December, 1978—US$393 000) of "non-remittable" income being that portion of income not available for distribution mainly because of exchange control regulations in force in the countries of source of such income.
3. No provision for a possible decline in the value of investments has been considered in the unaudited consolidated results for the half-year, as it is the Company's practice to review the book value of investments at the end of each financial year.
4. Extraordinary item. A deficit arose on the write-off of US$200 000 of expenses incurred in the execution of the proposals described in the circular to members dated 22nd October, 1979.

ZCI has a 39.9 per cent interest in Nchanga Consolidated Copper Mines Limited (NCCM) and a 9.8 per cent interest in Roan Consolidated Mines Limited (RCM). The latest available results for the current financial years of these companies are as follows:

	Quarter ended 30.9.79	Six months ended 30.9.79	Quarter ended 31.12.79
NCCM			
Production (Tonnes)			
Copper	84 709	181 219	89 314
Cobalt	314	605	322
Lead and Zinc	12 838	25 716	12 825
Sales (Tonnes)			
Copper	99 485	191 190	78 284
Cobalt	292	582	222
Lead and Zinc	16 276	31 440	11 173
Average proceeds per tonne (Copper)	K1 575	K1 585	K1 654
Total sales revenue	K181.1m	K347.1m	K148.3m
Net profit after tax	K16.6m	K29.0m	K8.3m
Ordinary dividends	Nil	Nil	Nil

	Quarter ended 30.9.79	Quarter ended 31.12.79	Six months ended 31.12.79
RCM			
Production (Tonnes)			
Copper	61 487	55 648	117 135
Sales (Tonnes)			
Copper	65 315	53 056	118 371
Average proceeds per tonne	K1 511	K1 661	K1 578
Total sales revenue	K125.23m	K116.43m	K241.7m
Net profit after tax	K31.6m	K24.7m	K56.3m
Dividends per share	Nil	K0.15	K0.15

By Order of the Board
Dr. Z. J. de Beer
H. R. Fraser } Directors

Pembroke, Bermuda

Registered Office:
Belvedere Building
Pitts Bay Road, Pembroke
(P.O. Box 650, Hamilton 5) Bermuda

London Office:
40 Holborn Viaduct
EC1P 1AJ

3rd March 1980

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	18½%
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

MINORCO

MINERALS AND RESOURCES CORPORATION LIMITED
(Incorporated in Bermuda)

Report for the Half-year ended 31st December 1979

The following are the unaudited results of Minerals and Resources Corporation Limited (Minorco) and its subsidiaries for the half-year ended 31st December 1979 together with the comparative figures for the half-year ended 31st December 1978 and the year ended 30th June 1979. These should be read in conjunction with the adjoining notes:

	Half-year ended 31.12.79 U.S.$000s	Half-year ended 31.12.78 U.S.$000s	Year ended 30.6.79 U.S.$000s
Income (Note 1)			
Dividends from investments	10,790	8,799	18,423
Interest and sundry income	2,824	843	2,039
Zamcic operations (Note 2)	—	(202)	—
Profit (loss) arising from currency fluctuations	827	(167)	56
	14,441	9,273	20,518
Administration and other expenses	879	588	1,093
Interest on U.S.$50m loan facility	2,126	—	—
Other interest	696	123	126
Costs of prospecting	549	1,279	3,009
	4,250	1,990	4,228
Operating profit before taxation	10,191	7,283	16,290
Foreign taxation	654	426	1,224
Operating profit after taxation	9,537	6,857	15,066
Group share of retained net earning of associates (Note 2)	25,594	—	20,409
Profit before extraordinary items	35,131	6,857	35,475
Extraordinary items (Note 6)	2,491	291	(1,099)
Profit after extraordinary items	37,622	7,148	34,376
Dividends on ordinary shares (Note 4)	2,943	2,943	8,829
Retained profit after extraordinary items	34,679	4,205	25,547
Transfer to capital reserve	87	—	—
	34,592	4,205	25,547
Unappropriated profit 30th June, 1979	65,066	39,280	39,280
Adjustment thereto arising from currency fluctuations	15	105	239
	65,081	39,385	39,519
Unappropriated profit 31st December 1979	99,673	43,590	65,066

Notes:

1. Income includes gross dividends and interest before deduction of withholding taxes, such taxes being included in the charge for foreign taxation.
2. The result for the six month period to 31st December 1978 did not reflect either the adoption of the equity method of accounting or the deconsolidation of the results of Zamanglo Industrial Corporation Limited (Zamic) and are not therefore comparable with the results for the six month period to 31st December 1979. As equity accounting was introduced for the first time from 1st July 1978 only earnings relating to that portion of associated companies audited annual results which fell between 1st July 1978 and 30th June 1979 were included in the results for the financial year to 30th June 1979 and the current results are not therefore fully comparable with those results.
3. Members were informed in a press announcement on 14th November 1979 that the proposals relating to the enlargement of the Corporation had been approved at a Special General Meeting of members held on that day, and these proposals became effective on 3rd December 1979.
4. In accordance with the intention expressed in the circular to members dated 22nd October 1979, an interim dividend of 4 cents a share (United States currency) for the year ending 30th June 1980 was declared on 14th November, 1979. It is not the intention of the Corporation to declare any further interim dividends for the current financial year and in consequence the next declaration will be in respect of the final dividend for the year ending 30th June, 1980.
5. No provision for a possible decline in the value of investments has been considered in the unaudited consolidated results for the half year, as it is the Corporation's practice to review the book value of investments at the end of each financial year.
6. There was a net extraordinary surplus of US Dlrs 2,491,000 in the six month period to 31st December 1979. A surplus of US Dlrs 3,541,000 arose on the write back of a provision previously made against an investment. A deficit of US Dlrs 1,050,000 arose relating to the write off by the Corporation and an associate, Zambia Copper Investments Limited, of expenses incurred in the expansion and reorganisation of investments referred to in Note 3.

By Order of the Board
H. F. Oppenheimer
H. R. Fraser } Directors

Pembroke, Bermuda
3rd March, 1980.

Registered Office:
Belvedere Building, Pitts Bay Road, Pembroke (P.O. Box 650 Hamilton 5), Bermuda

S.A. Registrars:
Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001 (P.O. Box 61051, Marshalltown 2107)

U.K. Registrars:
Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street Ashford, Kent TN24 8EQ

NORTH AMERICAN NEWS

Sharp gain for Woolworth but Penney income dips

BY DAVID LASCELLES IN NEW YORK

WOOLWORTH yesterday announced a sharp gain in profits for 1979, due partly to changes in UK tax law. But another major retailer, J. C. Penney, said its profits fell.

Woolworth's net earnings for the year ended January 31 last totalled $180m, equal to $6 a share and up 38 per cent on 1978's $130.3m or $4.34 a share. But Mr. E. F. Gibbons, chairman, said this included $27.8m in UK tax reductions for the years 1973-77.

In the final quarter of 1979, Woolworth's earned $105m or $3.55 a share, up from $83.3m or $2.83 a share. Excluding the UK tax cut, Woolworth's final quarter earnings would have been $90m or $3.05 a share, a smaller-than-expected gain which the company blamed on higher-than-planned Lifo charges.

These results are all approximate, and Woolworths said it would publish audited figures next week.

J. C. Penney's net income for the year ended January 26 last was $244m, equal to $3.52 a share and down 11.6 per cent on the $276m or $4.12 a share earned the year before. Sales of Penney, the second largest retailing company in the U.S., were up slightly, from $10.8bn to $11.3bn. In the latest quarter, Penney earned $133m or $1.92 a share, down a shade on the $135m or $2.01 a share returned in the same period last year.

The retailer blamed the earnings declines on a number of factors, including high interest expense (which rose 8.9 per cent in the final quarter) even though actual borrowings declined during the year. Lifo provisions also rose, and cost the equivalent of 70 cents per share.

J. C. Penney added that running expenses had remained level at 23.3 per cent of sales, but that its effective tax rate had dropped.

Kaufman and Broad woos life company

By Our New York Staff

IN YET ANOTHER insurance takeover, Kaufman and Broad, the Los Angeles-based home-building company, yesterday announced a $20.5m bid for Standard Life of Indiana, an Indianapolis life insurance company.

Standard Life, clearly taken aback by the bid, had no immediate formal comment but an official said it was likely to be opposed.

Kaufman and Broad's bid takes the form of a $23 a share cash offer for Standard Life's approximately 900,000 shares outstanding. Standard's shares have recently been trading in the $19 range.

Kaufman and Broad has interests in Life Insurance through its Sun Life subsidiary, acquired in 1971. Last year it paid $23m for Coastal States, an Atlanta-based insurance company. Sun Life, which is making the bid for Standard, owns 4.6 per cent of Standard's stock.

This takeover marks the latest in a string of insurance company takeovers in the U.S. in the past year or two, a trend that reflects the strong attraction of insurance company assets.

In a magazine interview at the end of last year, Mr. Eli Broad, chairman of Kaufman and Broad, said that life insurance was the perfect complement to its housing operations because at times of high interest rates (when housing is slack) life insurance earns a higher yield on its assets.

SCM steady

Annual earnings of SCM, the diversified industrial group, should equal or exceed last year's $4.98 a share if business remains strong, Mr. Paul H. Elicker, the group's president, said yesterday, Reuter reports from Boston.

Slide in U.S. bond markets claims its first victim

BY IAN HARGREAVES IN NEW YORK

THE TUMBLING U.S. bond markets appear to have claimed their first victim in the securities industry, with the forced liquidation of the Simpson Emery brokerage house in Pittsburgh.

A U.S. district judge has ordered the firm into liquidation, following investigations by the Philadelphia Stock Exchange and the Securities and Exchange Commission into its bonds portfolio.

The investigation revealed that the company's net worth had been so eroded by the more than 15 per cent decline this year in many bond prices that it could not sustain losses expected on a $6.5m municipal bond transaction to which the company had committed itself. The transaction, the SEC says, would have eliminated Simpson and Emery's asset base.

The SEC acted following a stock exchage inquiry prompted by complaints about the company's record-keeping. Customers exposed by the firm's collapse will be eligible for some compensation under the Federal Security Investors Protection Corporation.

The downfall of Simpson Emery — a medium-sized regional brokerage house — raises the question of whether many other small firms could be similarly caught in a market of unprecedented volatility.

So far, the larger New York houses have continued to report improved earnings in spite of the turmoil, partly because they have stood to gain from the extremely heavy level of institutional trading in the stock market.

For small firms without institutional accounts, the risk in bonds is much greater. Many such firms specialise in trading fixed income securities on behalf of private clients, but expose themselves by actually dealing in bonds for their own account as well as acting purely as middle-men.

Austrian bank in link with BIL

By Paul Lendvai in Vienna

AUSTRIA'S second largest commercial bank, Oesterreichische Laenderbank, is to join forces with Banque Internationale a Luxembourg (BIL) by buying a 40 per cent shareholding in BIL's subsidiary, Banque Continentale du Luxembourg (BCL).

That represents the single largest investment in Luxembourg by an Austrian bank in an attempt to gain access to this important Euromarket.

The venture is the direct result of the fact that both Laenderbank and BIL belong to the London-based ABECOR international banking group.

In the course of complicated ownership changes, Hessische Landesbank-Girozentrale has sold its 50 per cent interest in BCL. BIL has increased its stake in BCL from 50 per cent to 60 per cent, with the rest of the former German holding acquired by Laenderbank.

Preussag dividend

Preussag, the metals, transport and chemicals group expects to pay a dividend for 1979. Provisional results for the year show a "marked improvement," mainly because of the energy divisions. Preussag's last dividend was DM 7, paid for 1976.

Group turnover was DM 3.53bn ($1.97bn) compared with DM 2.95bn. Capital investment last year totalled DM 188m against DM 170m.

FN Herstal ahead

Fabrique National Herstal, Belgium's largest arms manufacturing company with heavy investment in aircraft engines, has made profits of BFr 148m for 1979 and proposes a dividend of BFr 190 a share. The figures compare with a net profit of BFr 141m for the previous 18-month reporting period and a dividend of BFr 255. Turnover totalled BFr 14.3bn, compared with BFr 16.9bn.

Fluor makes further headway

BY OUR FINANCIAL STAFF

PROGRESS CONTINUES for Fluor Corporation, one of the world's largest process plant contracting engineers, based in Irvine, California. The company reported net profits in its first quarter to January 31 of $1.17 per share, or a total of $28.1m, compared with 94 cents and $23.8m in the same quarter of the previous year.

Mr. Robert Fluor, the chairman, said that both revenues and earnings were expected to rise to record figures in the year ending on October 31, 1980.

Fluor also revealed that its subsidiary, Fluor Canada, had formed a joint veuture with several Canadian companies to organise the construction of a (previously announced) $6bn oil sands project at Cold Lake, Alberta, Canada. The client is Esso Resources, part of the Exxon Corporation of the U.S.

The joint veuture will be engineer for about 75 per cent of the oil sand project, which is designed to recover some 160,000 barrels of heavy crude oil per day. The other participants include Cana Construction, Delta Projects, Lavalin Services, and SNC/FW Limited.

Revenues in the first quarter were $1.014bn, up from $763.9m in the first three months to January, 1979. The backlog of work in hand at the end of January was $11.7bn compared with $11.6bn a year earlier. The inflow of new orders during the first quarter totalled $1.04bn, which was marginally below the $1.16bn of new work booked in the equivalent period in 1979. But the chairman said that the current order backlog did not include contracts worth some $4bn which were "in the process of being finalised."

Fluor has benefited conspicuously from the search for alternative sources of oil and energy. It recently acquired the rights for marketing in the U.S. the Sasol technology, developed in South Africa to turn coal into oil. It has had an extensive involvement in the construction of Sasol plants in South Africa, and reckons that the technique will be adopted in the U.S.

Cost squeeze on Coca-Cola

BY OUR NEW YORK STAFF

COCA-COLA, the world's largest soft drinks company, showed a moderate increase in profits last year and expects net income growth to decline further

The company, which is facing fierce competition in the U.S. market but has continued to show strong growth in some international operations, reported net income last year of $420m, a 12 per cent increase on 1978. Sales were up from $4.3bn to almost $5bn.

In the final quarter, the rate of profits growth was slower, with net income 8.5 per cent higher at $89m on sales of $1.25bn.

The company expected operating earnings this year to grow by more than 10 per cent, but that would be reduced to between 5 and 10 per cent at the net level because of reduced interest income, the higher cost of borrowing, and reduced tax advantages.

The company has also suffered from sharply higher sugar costs and the higher cost of holding stocks of bottles in the U.S.

Cooper to purchase Sterndent

BY OUR FINANCIAL STAFF

COOPER LABORATORIES and Sterndent, both of the U.S., have reached agreement in principle for Cooper to acquire all Sterndent's assets and liabilities. Under the terms of the proposed deal, Sterndent shareholders will receive $3 a share in cash and a debenture of $25 nominal value convertible into Cooper common stock.

Cooper, which manufactures prescription and over-the-counter medical, optical and dental products, owns some 28 per cent of Sterndent. The deal values the whole of Sterndent, which produces dental supplies and spectacle frames, at almost $60m.

In August last year, Sterndent rejected as inadequate a previous merger proposal from Cooper and said that it would pursue alternative action, possibly including partial or total liquidation.

Cooper has just announced results for the first quarter to January 31, showing operating net profits of $2.03m against $2m.

An extraordinary gain of $40m in the latest period made the final net profit figure $42.03m or $7.35 a share. The gain resulted from the sale of Cooper's internal medicine business

Record first quarter for major textiles maker

BY OUR FINANCIAL STAFF

J. P. STEVENS, the major textiles producer with interests in commercial printing, has turned in record sales and earnings for the first quarter of the current fiscal year. Net income advanced from $9.68m or 68 cents per share to $10.28m or 72 cents, from sales up from $434.6m to $435.1m.

Mr. Whitney Stevens, the chairman, told the annual meeting that the company's prospects for increased sales volume during the rest of the year seemed promising because the flow of incoming orders was good and there was no sign of an immediate downturn. "The main problem will be inflationary pressures," he said.

Mr. Stevens added that escalating costs, particularly in synthetic yarns and fibres, and a speculative and highly volatile cotton market, continued to put great pressure on the company's operating margins.

He also said that the company, which has a long history of opposition to trade union organisation, planned capital expenditures this year of more than $80m, up from last year's $71.8m. About 70 per cent of this year's spending would be for modernisation, 16 per cent to fulfil Federal agency requirements, and about 14 per cent for expansion.

J. P. Stevens had net income for the last full year of $47.7m or $3.69 per share, on sales of $1.8bn.

Strong advance at Houston Oil

By Our Financial Staff

NET INCOME of Houston Oil and Minerals Corporation for 1979 rose from $55.6m or $1.82 per share to $65.65m or $2.07 per share, following a rise of more than 100 per cent in the fourth quarter. Full-year sales increased from $307.4m to $351.6m.

Fourth quarter net income was ahead from $11.06m or 34 cents per share to $23.67m or 76 cents, on sales of $102.5m compared with $64.4m.

The company said yesterday that its domestic proved reserves, including crude oil, natural gas condensate and natural gas liquids, totalled 23.63m barrels on January 1, up from the comparable figure of 22.65m barrels.

EUROBONDS

A matter of marking time

BY OUR EUROMARKETS STAFF

DOLLAR EUROBONDS showed small losses yesterday averaging ¼ point overall. Trading was thin and uncertain as the market awaits further measures to combat inflation in the U.S.

In this climate no new issues are being offered, and dealers had been hoping to gauge the state of the market from the forthcoming $200m, five-year Yankee bond for Canada's Export Development Corporation until this, too, was postponed yesterday by Salomon Brothers because of conditions in the New York market.

Eurobond business at present is almost entirely professional as the market appears to be marking time. An interesting facet of this is that, over the past few days, it has shaken off some of the dogged tendency to follow the weaker lead of New York that emerged last month.

Swiss franc foreign bonds had a better day with gains of ½ point as the National Bank voiced hopes that the inflation rate could abate shortly.

The European Investment Bank's 10 year, SwFr 90m issue has been priced at 98.5. Coupon is 6 per cent for the first five years and floats thereafter at a rate tied to the mortgage rate in Switzerland. Elsewhere, Cia Telefonica Nacional de Espana is floating a SwFr 40m, six-year, 6¼ per cent private placement at par through Lloyds Bank International and BNP (Suisse).

The D-Mark sector was again weaker, with losses of ⅜ point in quiet trading. Domestic bonds were also weaker.

Danish capital market bleak

By Hilary Barnes in Copenhagen

DANISH BOND markets have stayed in the doldrums despite the collapse last week of the parliamentary agreement on the reform of debt taxation.

Any relief felt at the failure of the proposed tax changes, which, effectively, would have increased the cost of borrowing to the individual, has been overshadowed by mounting international uncertainties over interest rates.

The Social Democratic Government last week secured agreement to a reform, together with the Left Socialists, the Socialist People's Party and the Radicals. But the Radicals reneged, as a barrage of criticism was mounted, in part from members of the Government.

The bond market, already groggy from the rise in the discount rate from 11 to 13 per cent last month, reacted to news of the reform with sharp price falls. It has since continued to decline, mainly under the influence of the movement of international interest rates.

The central bank, as well as the Government, had warned that a tax reform, along the lines proposed, would have unforeseeable consequences for capital market. The Government has not given up its quest for a reform, but will have to find a new formula before it can hope to obtain majority backing in the Folketing.

Meanwhile, total net supply of bourse-quoted domestic bonds fell to DKr 55.35bn ($9.95bn) in the 12 months to January 1980 from DKr 56.01bn. Ordinary first mortgage credit bonds rose to DKr 21.61bn from DKr 19.59bn and special second mortgage bonds rose to DKr 15.36bn from DKr 12.92bn. But government bonds fell to DKr 17.81bn from DKr 21.09bn.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on March 5

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	78¾	79¼	+0⅛	+1¾	14.18
Alex Howden XW 9½ 91	30	†70	72	0	0	14.96
Australian Res. 9⅝ 84	30	84½	85	−0⅛	+1¼	14.50
Avco O/S Cap. 10¼ 87	40	74⅛	74⅞	0	−0⅛	16.54
Beneficial Fin. 9⅝ 87	100	79½	80	−0½	+1⅝	14.35
CECA Grad. Rate 12 86	100	88⅞	89⅝	0	+1⅛	14.57
CECA 11⅝ 90	50	84¾	85¼	+0¼	+3⅜	14.62
Canadian Pacific 9¾ 89	50	78¼	78¾	+0⅛	+2¾	14.03
Carter Hawley 9¾ 86	50	80¾	81¼	−0⅛	+2¼	14.50
Comalco Inv. E. 10¼ 91	40	78	78½	−0⅞	+1⅛	14.18
Continental Grp. 9⅜ 86	100	80⅝	81⅛	−0⅛	+2½	14.40
Dome Petroleum 10 94	50	74⅝	75⅛	−0⅛	−5⅞	14.16
Dominion Bridge 10¼ 84	30	87¾	88¼	0	+1½	14.13
EIB 11¾ 92	80	82⅝	83⅛	0	+2¼	14.86
EIB 10¼ 87	100	†81	82	−1⅛	−2¼	14.91
EIB 10.15 99	100	†72½	74¼	−0⅞	−0⅜	14.74
Exportfin 11¼ 87	50	87	87½	−0⅛	+1⅞	14.26
Export Dv. Cpn 9¾ 84	100	84½	85	−0⅛	+0⅜	14.55
Export Dv. Cpn. 9⅞ 84	150	84⅞	85⅜	−0¼	+0¼	14.43
Finland 9⅝ 89	100	75¼	77¼	−0¼	+0⅛	14.82
GTE Finance 9⅜ 89	55	77½	78	−0⅛	+2⅜	14.17
GMAC 9¼ 86	100	80¼	81¼	0	+2⅛	13.96
GMAC O/S Fin. 11 84	100	89⅞	90⅜	−0⅛	+1⅛	13.93
Gould Int. Fin. 9¾ 85	50	84¼	84¾	−0⅛	+0⅞	14.30
ITT Antilles 9½ 89	75	75⅛	75⅝	−0⅛	+0⅞	14.51
Kennecott Int. 9½ 86	100	78½	79	+0⅜	+3⅛	14.97
Manitoba 9½ 89	75	77½	77⅞	−0¼	+1⅛	14.02
Michelin 10 94	125	71⅞	72⅜	0	+0¼	14.73
Nat. Des Telecm. 9½ 86	100	80⅝	81⅛	−0⅛	+0¼	14.28
New Brunswick 9¾ 94	75	73⅛	73⅝	+0⅛	+2¼	14.24
Newfoundland 10 94	50	†72⅞	73⅜	−0½	+3⅛	14.60
Norges Komm. 9⅞ 99	100	†71	71½	−1	+0½	14.79
Norway 9½ 84	150	85	85½	−0¼	+0⅞	14.43
Nova Scotia Pwr. 9¾ 89	50	77⅜	77⅞	−0½	+2⅜	14.24
Occidental Fin. 10¼ 84	50	86	86½	−0¼	+2⅞	14.80
Orient Leasing 9½ 86	25	78⅜	78⅞	+0¼	−1	14.91
Pennwalt O/S F. 9¾ 84	25	84¼	84¾	−0⅛	+1¼	14.95
Pepsico Cap. 9¼ 84	100	86	86½	−0⅛	+1¼	13.97
Quebec Hydro 10 99	75	70⅛	70⅝	+0⅛	+3¾	14.67
Sears Roebuck 9 82	150	89⅞	90⅜	−0⅛	+0⅝	15.22
Statoil 9⅞ 89	100	77⅛	77⅝	−0⅛	+1½	14.05
Sweden 9⅜ 89	100	77⅞	78⅜	+0½	+1⅝	14.14
Sweden 9½ 86	200	81⅞	82⅜	−0½	+1⅝	14.49
Sweden 9⅝ 84	100	85⅛	85⅝	−0¼	+0⅛	14.38
Unilever NV 9¾ 87	100	78⅝	79⅛	+0⅛	+2	14.00
Warner-Lambert 9 84	100	84	84½	−0⅛	+0⅜	14.06

Average price changes.. On day −0⅛ on week +1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	†94½	95		−1	8.96
Asian Dev. Bk 7¾ 89	100	†86⅛	86⅝	+0⅛	−0⅞	9.49
Australia 8⅛ 90	250	97⅞	98⅜	−0⅛	−0¼	8.39
Barclays O'seas 8¾ 89	100	†82½	83½	−0⅝	−1	9.62
BFCE 7¾ 87	100	90⅞	91⅜	+0½	−1⅝	9.54
BFCE 8⅛ 95	100	89	89½	−0¼	−2	9.48
Brazil 8 87	150	83⅝	84⅛	+0⅛	−6⅛	11.28
CECA 7 91	150	85¾	86½	+0⅛	−0⅞	9.02
Council of Eur. 7¾ 89	100	88½	89½	−0⅛	+0⅛	9.06
Denmark 7⅞ 86	100	91½	92	−0½	−0⅞	9.80
Denmark 8¼ 92	100	91⅛	91⅝	−0⅛	−1⅞	9.48
EEC 7⅞ 94	225	88½	89	−0⅜	−2⅜	9.30
EIB 7½ 89	200	88	88½	−0¼	−2	9.45
Finland Rep. of 8 86	150	91⅛	91⅞	−0⅜	−2⅛	9.76
Kobe, City of 7⅛ 89	150	84¾	85¼	−0⅜	0	9.55
Neder. Gasunie 8 86	100	92½	92⅞	−0½	−6	9.55
New Zealand 7⅛ 87	200	†88¼	88¾	0	−1¼	9.30
Norges Komm. 7¾ 91	150	†88⅜	89⅛	−0⅛	−0⅜	9.32
Norway 6¾ 84	200	†89½	90½	+0⅛	−0⅛	9.31
Norway 7½ 85	250	92⅛	92⅝	−0⅜	−0⅜	9.49
OKB 8 87	40	†85	86	−1½	0	8.90
OKB 7⅜ 89	100	86¾	87¼	−0⅛	−3¼	9.53
World Bank 7⅝ 91	400	87¾	88½	−0⅜	−0⅞	9.50
World Bank 7⅞ 90	250	†89	89¾	−1⅛	−2	9.58

Average price changes On day −0⅜ on week −1½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	†84½	85	+0½	−5	7.86
Aumar 5 89	60	†80½	81	0	−7½	8.00
Australia 3¾ 89	250	†83½	84	+1	−1½	6.00
Bergen, City of 4⅝ 91	40	†83	83½	0	−3¼	6.92
BNDE 5 89	75	†79	79½	0	−1⅛	8.25
BMW Overseas 4¾ 91	100	†84½	85	0	−2½	6.12
Caisse Nat. Tele. 4⅛ 89	100	†85¾	86¼	−0½	−2⅞	6.39
Canada 3⅜ 89	300	†84	84½	+3¼	−0⅞	5.92
Copenhagen 4½ 91	60	†85½	86½	+0⅜	−0½	6.23
Council of Eur. 5 89	100	†96	96½	+1	−4⅛	6.99
EIB 4½ 91	100	†85	85½	−0½	−3	6.36
EIB 4¾ 94	100	†78	78½	0	−3½	6.78
Elet. de France 4½ 89	100	†88	88½	+2½	−1½	6.05
GZB 4¼ 89	100	†83	83½	+0¾	+1½	6.68
Hilti 4½ 91	35	†82½	83	−5¾	−6⅜	6.39
Int.-Amer Dev. 4½ 89	100	†80	80½	+1	−3½	7.49
Jutland Tele. 5½ 90	50	†93	93½	+0⅛	−2⅜	6.44
Malaysia 5 89	80	†85¼	86¼	−0¼	+0¼	7.05
Nippon Tel. & T. 4¼ 89	100	†87½	88	−2½	−1½	5.96
Nordic Bank 5 89	45	†89½	90	+1¼	−4½	6.49
Norges Komm. 4⅛ 91	100	†83	84	+1¼	−0⅛	6.43
OKB 3¾ 91	100	†76½	77	−0½	−3¾	6.81
OKB 4⅜ 91	100	†80½	81	−0½	−2⅝	6.83
Oslo, City of 4⅞ 91	100	†81	81½	+2⅛	−0½	6.75
Shikoku El. Pwr. 4⅞ 89	100	†86	87	−2	−3	6.72
Spain 4 91	100	†80	81	0	−1½	6.54
Staweag 4⅞ 91	60	†85	85½	+0⅛	−3	6.64
Voest-Alpine 4¼ 89	90	†84	84½	+0⅜	−3½	7.13
World Bank 4⅞ 89	100	†86½	87	−0½	−3½	6.55
World Bank 4⅜ 89	150	†83	83½	−0⅝	−2⅛	6.81
World Bank 4⅝ 91	100	†84½	85	+1½	−2⅞	6.53

Average price changes... On day +0½ on week −2⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	83¾	84¼	0	−2½	11.11
Australia 6½ 88	20	80⅛	81⅛	−0¾	−1⅞	10.09
EIB 7¾ 89	12	86⅞	87⅜	−1⅜	−1⅜	9.96
Finland 6.6 83	10	83⅝	84⅝	−0⅛	−2⅜	11.09
Finland 6.8 88	10	79⅞	80⅞	−0⅛	−1½	10.49

Average price changes... On day −0½ on week −2

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10½ 86 C$	25	81	81½	−0⅛	+0⅛	15.05
Bell Canada 10⅜ 86 C$	60	85⅜	85⅞	−0⅛	+0⅛	14.22
Cr. Foncier 10⅜ 84 C$	30	85½	86½	+0⅛	−0½	14.77
Ex. Dev. Cpn. 10 84 C$	50	87¼	87¾	0	−0⅛	14.11
Fst. Can. Inv. 10 84 C$	50	87⅛	87⅝	+0⅛	+0½	14.16
Hudson Bay 10½ 89 C$	60	80¼	80¾	−0⅛	−0⅝	14.47
Quebec 10¾ 86 C$	50	81⅞	82⅞	+0⅛	+0⅛	14.81
R. Bk. Canada 10 86 C$	40	83⅝	84⅛	0	+0⅞	14.04
R. Bk. Canada 10 94 C$	40	74⅜	74⅞	0	+1⅛	14.24
Copenhagen 8¾ 91 EUA	20	92	93	0	−0⅜	9.85
M. Bk. Dnmk. 9 91 EUA	25	93	94½	0	−1⅛	9.93
SOFTE 8¼ 89 EUA	40	84	85¼	0	−1⅞	11.00
Algemene Bk. 8¼ 84 Fl	75	†92½	93	−0¼	−0⅛	10.30
Ned. Gasunie 8¾ 84 Fl	50	90¾	91¼	−0⅛	−3¼	11.47
Ned. Middbk. 8¾ 84 Fl	75	91⅛	91⅝	−0⅛	−2⅛	10.98
Norway 8½ 84 Fl	100	92¼	92¾	+0⅛	−0⅛	10.63
Norway 8¾ 84 Fl	100	92½	92⅞	+0⅛	−0⅛	10.33
Philips Lamps 8¾ 84 Fl	75	92¼	92¾	+0⅛	−0½	10.71
Air France 11 84 FFr	120	90	91	0	−0⅞	13.81
Euratom 9¾ 87 FFr	150	78⅛	78⅞	−0⅛	−1½	14.61
Finland 11 84 FFr	80	88	88¾	+0⅛	−1½	14.58
Finland 11½ 89 FFr	70	86	87	0	−0⅛	14.12
Gaz de France 11 84 FFr	150	89¼	90¼	0	0	13.94
IBM France 11⅞ 84 FFr	120	91¼	92¼	0	−1⅞	14.33
Renault 9⅜ 85 FFr	100	81⅞	82⅞	−0¼	−1⅜	14.70
Saint-Gobain 9¾ 86 FFr	130	79¾	81	−0⅜	−2½	14.77
Solvay et Cie 9¾ 87 FFr	125	77¾	78¾	−0⅜	−1⅞	14.89
Total Oil 9⅜ 87 FFr	150	78¼	80	+0½	−0¼	14.20
Citicorp O/S 13½ 90 £	50	89⅜	90⅛	0	−3¼	15.58
EIB 11½ 91 £	25	77⅛	78⅛	0	−2⅞	15.79
Finance for Ind. 13 91 £	15	87	87¾	−0⅜	−5⅝	15.45
Fin. for Ind. 12½ 89 £	30	84⅞	85⅜	+0¼	−2¼	15.62
Gen. Elec. Co. 12½ 89 £	50	86	86⅝	−0⅛	−2⅞	15.39
Indonesia 8¾ 91 KD	7	†93	93½	0	0	9.74
Mitsubishi 7½ 84 KD	10	†95⅜	95⅞	0	0	8.72
Norges Kom. 7½ 89 KD	12	†93¼	93⅞	0	0	8.52
Occidental 8¼ 91 KD	7	†90¼	90¾	0	0	9.67
Akzo 9½ 87 LuxFr	500	92¼	93¼	0	−0⅝	10.66
Euratom 8 87 LuxFr	500	86⅝	87½	−0¼	−1½	10.80
Euratom 9¾ 88 LuxFr	500	96	97	−0⅛	−3	10.41
[illegible] 9½ 88 LuxFr	600	97½	98½	−0⅛	−2⅛	10.12
Volvo 9¾ 87 LuxFr	500	95⅞	96⅞	0	−2⅛	10.44

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0⅜	97⅝	98⅛	2/7	15½	15.45
Banco di Roma Int. 6 87	0¼	98¾	99¼	26/4	15¾	15.91
Bank of Ireland 5¼ 89	‡0¼	96⅞	97⅜	21/5	16⅛	16.60
Bank of Tokyo 5⅞ 88	‡0⅛	96⅞	97⅜	25/4	14.56	14.99
Barclays O/S Inv. 5 90	0¼	96⅜	96⅞	13/6	14¼	14.75
Bergen Bk. A/S 6 89	‡0¼	97⅛	97⅝	29/5	17¼	17.72
Bque. Indo Suez 5¼ 89	0¼	97⅝	98⅛	11/7	14.69	15.01
Citicorp O/S F. 6 94	‡0⅛	98⅞	99⅜	8/3	14.44	14.56
Citicorp O/S F. 83	§‡0	99⅜	99⅞	23/5	16.06	16.12
Citicorp O/S F. 84	‡0	99⅜	99⅞	30/5	16.94	17.00
Co-operative Bk. 6 86	0¼	97⅜	97⅞	15/5	15.06	15.43
Creditanstalt 5½ 91	§‡0¼	98½	99¼	14/3	14⅞	15.10
CNT 5¼ 86	§0⅛	99	99½	16/4	15.19	15.30
GZB 5½ 89	‡0¼	97½	98	1/5	14⅝	14.96
Jugobanka 8 89	0⅞	92½	93½	23/5	16	17.20
Ind. Bank Japan 5¼ 87	0¼	97⅛	97⅝	15/4	14¼	14.63
LTCB Japan 5¼ 86	0¼	96¾	97¼	13/6	14⅛	14.69
LTCB Japan 5½ 89	0¼	96⅝	97⅛	7/6	14.19	14.69
Mfrs. Han. O/S 5¼ 94	‡0⅛	98⅜	98⅞	30/5	17⅛	17.36
Midland Intl. Fin. 5 89	0¼	98⅜	98⅞	20/6	15	15.21
Nacional Fin. 6¼ 86	0⅜	96½	97	25/7	14.69	15.18
Nat. West 5¼ 94	§0⅛	97¼	97¾	11/4	14.94	15.32
Nippon Credit 6½ 86	0½	96½	97	12/7	14.44	14.92
Nippon Credit 5¼ 87	‡0⅛	97⅛	97⅝	6/5	14.69	15.08
Royal Bk. Scot. 5¼ 94	§‡0¼	98⅛	98⅝	11/4	14⅝	14.87
Soc. C. de Bque. 6½ 87	0¼	96⅜	96⅞	3/4	13¼	13.71
Sogenal 5⅜ 89	§0¼	96⅜	96⅞	13/7	14.44	14.96
Standard Chart. 5¼ 90	0¼	98⅜	99⅛	6/9	17¼	17.45
Sweden 8¼ 91	‡0⅛	96⅞	97⅜	18/4	14.44	14.87
TVO Pwr. 9 91 (D-lock)	0¼	96⅝	97⅛	24/5	15.31	15.81
Williams & Glyn 5¼ 91	0¼	97½	98	14/3	13	13.30
Bq. E. d'Alg. 4¼ 89 SF	0⅜	†92	93	18/6	6.69	7.23

Average price changes .. On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	115¼	116½	−0¼	−7.28
Ajinomoto 7¾ 95	2/80	618	90	91	−0⅜	3.85
Alco Int. Fin. 9½ 94	1/80	40	90½	92	−0⅜	21.31
Asahi Optical 7 94	11/79	605	79⅜	80⅛	−2⅛	−2.35
Canon 6¾ 94	8/79	570	98¾	99¼	+0¼	5.92
Ciba-Geigy O/S F. 4 94	9/79	675	†82	83	−0¼	4.96
Credit Suisse 4¾ 93	10/79	1325	98⅛	99⅞	−0¼	−3.32
Daiei Inc. 6½ 94	11/79	1020	89¼	90¼	−1¼	19.94
Enserch Fin. 9½ 94	7/80	30.25	107	108	−0½	2.44
LPC Internatnl. 8 89	9/79	23.33	115½	116½	−0½	1.63
Meidensha Elec. 7 94	12/79	210	88¼	89½	−0¼	13.10
Mitsubishi Cp. 6½ 94	10/79	804	117½	118¾	+2¼	5.48
Nippon Seiko 7¾ 94	12/79	339	99¼	100¼	+2½	−2.49
Nitto Elec. Ind. 6 94	7/79	735	68	69½	0	5.32
Toshiba Cpn. 7¾ 94	10/79	198	88⅜	89⅞	−0⅛	0.33
Union Bk. Switz. 5 89	2/80	125	95	97	−0½	−8.05
Fujitsu 5 94 DM	7/79	475	89⅞	90⅜	−1⅛	16.34
Kansai Elec. 4 94 DM	4/79	1234	†81¼	82¼	−0¼	47.49
Tokyu Ld. Cp. 4 86 DM	4/79	493	†72½	73½	0	34.33
Uny Co. 6½ 86 DM	11/79	1071	87⅛	87⅞	+0⅛	27.44

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

How The Morgan Bank works for other banks, around the world

Member FDIC

Three of the Morgan officers who serve international banks and financial institutions are shown in Zurich. From left, Michael Fisher, Zurich; Frederick Tetzeli, head of the group in New York; Charles Hatfield, New York.

Morgan Guaranty has long been known as the premier corporate bank, serving most of the world's biggest companies. We are also a leader in serving the needs of financial institutions around the world.

Besides the traditional services—such as clearing, safekeeping of securities, foreign exchange—we meet the special needs of banks, central banks, and government financial agencies with imagination and innovation. Some recent examples:

☐ Developing a new system for a major French bank and its branch network to centralise their checks payable in the U.S. and speed their collection.

☐ Identifying real estate investment opportunities in the U.S. for a major German bank.

☐ Offering the New York branches of several European banks participations in a term loan to a U.S. company.

☐ Preparing a financial analysis of a U.S. company for a Swiss regional bank to furnish to its client.

☐ Tailoring an aircraft leasing proposal involving a Belgian bank.

☐ Creating four alternative ways for an Italian government agency to finance increased exports of automobiles.

A special group of officers, in our New York headquarters and our overseas offices, coordinate these services. All have served in Morgan's offices abroad. They know banking practice in the countries to which they are assigned.

Because they understand banking in your country, and are in close touch with our specialists in every field, these officers are able to put Morgan's skills and resources to work for your institution in the most effective way. To learn more about how they can help you, contact Morgan's London office or write to Frederick E. Tetzeli, Vice President, at 23 Wall Street, New York, N.Y. 10015.

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The Morgan Bank

CSR rights issue seeks A$107m

BY JAMES FORTH IN SYDNEY

CSR, the big industrial and mining group, will seek A$107m (U.S.$118.7m) from its shareholders through a rights issue. The directors announced the issue yesterday on the basis of one new share for every five held.

The issue price is A$2.50, well below yesterday's closing market price in Sydney of A$6.40. On that basis, the theoretical price of rights, disregarding dividend difference, is A$3.25.

The issue took the market by surprise as only two weeks ago CSR announced an A$35m debenture issue to existing debenture and shareholders. It is unusual for a company to seek equity and fixed interest funds from its holders at the same time.

The CSR raising will add to the heavy and rapidly growing demands on the market for funds. Last week, Woodside Petroleum announced an A$120m rights offer. CSR directors said that they expected to pay an annual dividend of 18 cents a share on the enlarged capital.

That accords with the lift in the interim dividend to 9 cents and compares with last year's full payout of 15 cents. The board said that because the new shares were being issued at a price substantially lower than the current market price, the consequent bonus element would result in a significant effective increase in dividends to shareholders.

The directors said that the funds raised would provide finance for the continuing growth of the group's operations. The primary purpose appears to be to refinance the recent A$450m takeover of Thiess Holdings, the coal and construction group.

Growth at Elder Smith

BY OUR SYDNEY CORRESPONDENT

BUOYANT CONDITIONS in the rural industry boosted sales and profits at Elder Smith Goldsbrough Mort, the major rural and industrial group, in the half year to December 31.

Group earnings jumped 60 per cent, from A$5.39m to A$8.6m (U.S.$9.5m) on a 35 per cent gain in sales from A$804m to A$1.1bn (U.S.$1.2bn).

Over the five years to 1978, profits had moved in a narrow range, from A$9.4m to A$10.2m, but in the 1978-79 fiscal year they jumped to a record A$14m. If Elder repeats its first-half performance, it will easily surpass last year's results. Prospects for the next six months appear sound.

Referring to the half-year results, the Board said that significantly higher sheep and cattle prices, more wool sold, a stronger demand for rural merchandise and more sales of rural properties all contributed to the higher earnings.

Sales and orders expand at Krupp

By Roger Boyes in Bonn

KRUPP GROUP reports a sharp 23 per cent increase in new orders to DM 13.4bn ($7.5bn) for the past year. The West German steel, engineering and shipbuilding concern also announces that external sales rose in 1979 by 7 per cent to DM 12.8bn.

Much of the impetus for the sales increase appears to have come from the steel division which benefited from last year's revival in demand. Steel sales rose by 19 per cent to DM 5.3bn, while the trading and services section also increased its turnover by some 13 per cent to DM 3.9bn.

These growth areas compensated largely for slight falls in the industrial plant and machine engineering units (a drop of 3 and 2 per cent respectively) and a plunge of 32 per cent to DM 470m in the relatively small shipbuilding division.

The orders position reveals a more balanced distribution of fortunes, with all five divisions contributing to the 23 per cent rise. Despite a slackening in demand during the second half of the year, rolled steel products showed a small uplift while special steels showed a particularly large increase. Earnings were improved — Krupp gave no details — in the steel manufacturing sector, but margins have clearly been affected by higher labour, scrap and heating oil costs.

The shipbuilding division saw a slight improvement in its order books — benefiting from the state shipyard support programme — but it is evidently far too early to talk of a real recovery. The AG Weser subsidiary took in orders for six new vessels, but the company has had to offer extremely low prices which may not cover the basic costs.

Gold futures market planned for Hong Kong

HONG KONG — The Hong Kong Government announced yesterday that it is to allow the Hong Kong Commodity Exchange to establish a gold futures market. Such a development would "further enhance Hong Kong's position as an international financial centre," according to a Government official.

The new market would keep a portion of the "very substantial" gold futures business now placed overseas in Hong Kong—and would attract some of the international business from overseas futures markets.

Mr. Peter Scales, chairman of the Commodity Exchange, said that the Executive Council had approved the addition of gold to the list of commodities the exchange was permitted to trade in, and the next step was for contracts and rules to be prepared and submitted for approval to the Commodities Trading Commission. This would probably take a few weeks.

Once the contracts and other documents had been approved, "trading can commence, but the exchange must first be satisfied as to the appropriate timing having regard to the state of the gold market and the potential business that might be expected to be done on the new market."

● Offshore gold transactions in Singapore will be taxed at a lower rate, Minister of Trade and Industry, Goh Chok Tong said yesterday while presenting his Budget for 1980, AP-DJ reports from Singapore. From 1981, income from certain offshore gold transactions will be taxed at a 10 per cent concessionary rate, down from the current 40 per cent.

Goh estimated the loss of revenue from the tax concession at S$1.5m (U.S.$690,000).

SKF raises dividend as earnings surge upwards

BY VICTOR KAYFETZ IN STOCKHOLM

A STRONG recovery for special steels and wider profit margins for rolling bearings were the main factors behind a dramatic rise in pre-tax earnings by Sweden's SKF from SKr 207m to SKr 475m ($113m) for 1979.

Earnings as a percentage of sales rose from 2.2 to 4.3 points. The board recommends that the dividend be increased from SKr 4.50 a share to SKr 6.

Sales rose 16 per cent to SKr 11.06 bn ($2.63 bn). Costs of goods sold and the expenses of selling, administration and development declined from 90.6 to 89.3 per cent of sales. Other operating income rose from SKr 97m to SKr 153m.

SKF forecasts a 10-15 per cent increase in group sales for 1980 and writes that "growing efficiency, intensified marketing activities and greater capacity utilisation should make significant improvements in group income possible."

Pre-tax earnings for 1979 took account of net financial costs of SKr 401m, against SKr 336m in 1978. Net loss on exchange differences was SKr 152m, against SKr 159m, due mainly to effects of South American devaluations.

Restructuring operations in Britain, France and Italy accounted for net extraordinary losses of SKr 59m, compared with a gain of SKr 33m in 1978. Earnings before allocations and tax nevertheless improved from SKr 81m to SKr 264m.

SKF's bearing sales rose 13 per cent to SKr 8.2bn, with steep rises in deliveries to car and heavy engineering industries. Pre-tax earnings for that sector moved up from SKr 216m to SKr 320m, signifying an improvement in margin from 3 per cent to nearly 4 per cent of sales.

Steel division sales climbed 25 per cent to SKr 1.84bn, with Nordic markets particularly buoyant and much higher deliveries of bearing steel to companies outside the SKF group, the world's largest maker of bearings. Steel sector earnings improved by SKr 100m to finish SKr 65m in the black.

Cutting tool sales were up 11 per cent to SKr 500m and the strongest increases were in Sweden, Britain and Brazil. Pre-tax earnings rose from SKr 38m to SKr 46m for a margin of more than 9 per cent of sales. Other products showed a 24 per cent higher sales figure at SKr 1.32bn, including higher demand for textile machinery components and products for the aircraft industry. Earnings were SKr 44m, against a 1978 loss of SKr 12m.

SKF's plant and property investments were down from SKr 441m to SKr 407m and year-end liquidity rose from SKr 751m to SKr 799m. Sales outside Swedent accounted for 93 per cent of the total, against 94 per cent in 1978.

BSN sees end to Belgian loss

BY TERRY DODSWORTH IN PARIS

FRENCH FOOD and glass group, BSN Gervais-Danone, said yesterday that losses in Glaverbel, its troubled Belgian glass-manufacturing subsidiary, would be eradicated this year.

The statement followed the announcement of renegotiated terms for the sale of its German glass activities to Pilkington of the UK and was one of the main factors behind a FFr 41 rise in the company's shares to FFr 990 yesterday.

Glaverbel has been a heavy drain on its parent company's resources in recent years. But BSN has been investing heavily in modernising the Belgian plants and says that they might have been pulled back into balance in 1979 if they had not had to carry substantial redundancy costs.

Although the aim of BSN's original deal with Pilkington was to sell the Belgian business, along with a Dutch subsidiary, the group now seems resigned to keeping these overseas operations. There is no obvious European buyer who would not attract anti-competition objections similar to those which forced a renegotiation of the Pilkington agreement.

BSN emerges from the negotiations as the third largest European glass producer, including the operations in France which the French Government has insisted that it maintains. It now has four "float" manufacturing operations, two in Belgium and two in France.

The FFr 1bn sale of its West German activities, however, means that it has now become essentially a food company with 85 per cent of its interests in this sector. The company stressed yesterday that the finance it is raising from the sale will be pumped into the expansion of its international food business.

● The recovery of the Air France hotel chain, Meridien, from its heavy losses of four years ago was confirmed yesterday in group figures showing that profits more than doubled during a period of rapid expansion in international markets.

M. Henri Marescot, the chairman of Meridien, said that the French group was continuing its programme of overseas growth. It intends to open seven new hotels in 1980, bringing its total room space to 11,000. There are another 11 hotels in the pipeline, he added, which will give the group a total capacity of 16,000 rooms by 1982, bringing it up to the size of the big international hotel chains.

Wider margins put Swiss fibres group in black

BY JOHN WICKS IN ZURICH

VISCOSUISSE, Switzerland's leading textiles concern, returned to profits last year. The man-made fibres company, a subsidiary of the french Rhone-Poulenc group, reported a net profit of SwFr 6.59m ($3.85m) for the year after a loss of SwFr 852,000 in 1978.

Group turnover rose from SwFr 386m to SwFr 413m, of which the Emmenbruecke-based parent company itself accounted for SwFr 379m. Some 13 per cent of production was sold in Switzerland with 65 per cent going to Western European markets and 22 per cent to other countries.

Volume production rose to 54,800 tonnes—51,500 tonnes of synthetic fibres and 3,300 tonnes of viscose products.

The company says 1979 was a satisfactory year, the improvement of the European market allowing full capacity production. Higher raw material costs were offset by improved income from sales and there were widening profit margins in various product lines. Viscosuisse profited from both the European capacity cuts and from the "more advantageous" foreign exchange situation.

● ZURICH REINSURANCE COMPANY of New York is to be set up, with a capital of $10m, as a subsidiary of Zurich Insurance Company, Switzerland. The company will, in due course, apply for a licence to operate in all states of the U.S.

Losinger again likely to omit distribution

By Our Zurich Correspondent

PAYMENT OF a 1979 dividend by Losinger, Switzerland's leading construction company, is "not probable," according to an interim report. This would be the third consecutive year that Losinger has passed its dividend.

Group turnover reached some SwFr 545m ($318.7m) last year, compared with SwFr 516.4m in 1978. This is well above the budgeted figure of SwFr 535m.

The foreign share of turnover rose from 41 to 43 per cent, the loss of two Iranian contracts being fully offset by business elsewhere outside Switzerland.

Helsinki bank increases payout

BY LANCE KEYWORTH IN HELSINKI

BANK OF HELSINKI, the Finnish commercial bank, increased net earnings in 1979 by 18.9 per cent to FM 12.8m ($3.4m), and proposes to raise dividend to 12 per cent from 11 per cent.

After tax, maximum depreciation and transfers to reserves, the liquidity ratio rose to 7.7 per cent (from 7.2 per cent). The increase in the balance sheet total was 19.4 per cent to FM 3.86bn, and the growth of deposits was 15.9 per cent to FM 2bn. Total lending was FM 2.1bn, an increase of 8.7 per cent on 1978.

● Forest products, engineering and shipping group, Enso-Gutzeit, improved profits in 1979 for the first time since 1974, and plans to raise its dividend from 6 per cent to 8 per cent.

Net sales of the parent company increased by 25 per cent to FM 3.3bn ($873m) and net earnings came to FM 45m ($11.9m), against FM 33m. Consolidated net turnover rose by 23 per cent to FM 3.55bn. Parent company exports increased by 24 per cent to FM 2.3bn.

Enso, which is the second biggest industrial company in Finland, accounted for 12 per cent of total Finnish forest-products exports.

● Rauma-Repola, the forest products and engineering group, recorded a decline in real net sales for the second year in succession in 1979. Turnover increased by 2.2 per cent to FM 2.77bn ($733m), but adjusted for inflation the result was a decrease of 5 per cent. Exports accounted for 77 per cent of total invoicing.

The forest products division overtook the engineering and shipbuilding divisions in terms of net sales, rising to 56 per cent of the total. Engineering showed the greatest decline, but the outlook for 1980 is "good" as the value of orders booked has quadrupled in the past 12 months to FM 2bn. This division is now working at full capacity.

R-R's investment expenditure increased in 1979 to FM 330m, roughly double the figure for the previous year. Plans for the current year include another 100 per cent increase to about FM 700m. The company has budgeted for 1980 turnover of FM 3.3bn.

VONTOBEL EUROBOND INDICES
14.5.76 = 100%

PRICE INDEX	26.2.80	4.3.80	AVERAGE YIELD	26.2.80	4.3.80
DM Bonds	92.49	90.81	DM Bonds	8.786	9.110
HFL Bonds & Notes	88.88	86.40	HFL Bonds & Notes	10.526	10.982
U.S. $ Strt. Bonds	80.95	80.20	U.S. $ Strt. Bonds	12.868	12.887
Can. Dollar Bonds	84.41	83.25	Can. Dollar Bonds	12.941	13.206

Bank Leumi's annual profits advance 143%

BY L. DANIEL IN TEL AVIV

BANK LEUMI Israel's oldest and largest bank, and one of the world's top 100, reports that 1979 was a year of growth despite the international economic slowdown.

Net profits rose by 143 per cent to I£1.75bn ($44.4m at the latest exchange rate), while profits per share were up 113 per cent.

The consolidated balance sheet total, covering both local and overseas subsidiaries, reached I£546bn, or $15.4bn at the exchange rate of I£35.35 in force on December 31. This compares with I£12.9bn at end-1978. The I£2.5bn increase was equivalent to the group's overall balance sheet ten years ago. Over the past decade the number of local and overseas branches has doubled. Roughly 70 per cent of the group's consolidated accounts, in Israel and abroad, is in foreign currency.

A total cash dividend of 16 per cent is again to be paid (7.5 per cent interim plus 8.5 per cent final), together with 40 per cent in bonus shares (35 per cent in 1978). Moreover, the bank intends to make a 1-10 rights issue, or I£390m of I£1 shares at a price of I£3.50 per share, as well as an issue of 87m options of I£1, the initial downpayment to be I£3 per option with the final price to be paid after 12 months (three options per 100 shares held).

The increase in the group's capital in 1979 resulted primarily from internal accumulations and the mobilisation of capital on the Eurodollar market. The Antilles subsidiary, Leumi International Investments, raised an additional $75m, bringing the total of capital notes to $195m. Bank Leumi (UK) increased its capital means by £2m sterling, and Bank Leumi Trust Company, New York, added $10m.

The New York subsidiary recently acquired 13 branches of Bankers Trust, doubling its branch network in the New York area.

Total capital funds increased, on the consolidated basis, by 85 per cent last year to I£17.8bn.

The bank is diversifying its services further. In addition to conventional resident and non-resident foreign currency deposit accounts, it has pioneered foreign currency basket deposits based on either European or European/U.S. currencies. It has gone into leasing—to agriculture, industry and transport. It is now preparing the establishment of Israel's first merchant bank—in partnership with local industrialists who will hold 30 per cent—with an initial registered capital of $12m.

Commenting on the recent mild slowdown in the Israel economy, which involved lower imports and a slight reduction in the rate of inflation, Mr. Ernst Japhet, the bank's chairman, said he considered that Government measures to curb inflation and the widening balance of payments deficit were insufficient.

If additional steps were not taken, there might be a new wave of price increases and a rise in unemployment. He therefore urged cuts in the state payrole and in public domestic expenditure, intensification of tax collection to prevent deficit financing, an incomes policy to stop any real increase in average wages and a decline in public sector real wages to help accomplish a shift of manpower.

To curb further unemployment in the longer term and to achieve renewed economic growth while reducing the balance of payments gap, Mr. Japhet urged a modification of exchange rate policies. The devaluation of the Israeli pound should not be permitted to lag behind domestic prices increases, as it had been, but should perhaps be slightly ahead to boost export profitability and local production as a substitute for imports.

This policy could not be a one-off effort—it had to extend over a period of several years, he warned.

CURRENCIES, MONEY AND GOLD

Dollar steady

The dollar was slightly weaker overall in currency markets yesterday, mainly on a technical reaction to its recent rise. The dollar's undertone remained firm however, and yesterday's decline was partly a reflection of continued intervention by central banks, notably the West German Bundesbank and the Swiss National Bank. Against the D-mark the dollar finished at DM 1.7885 compared with DM 1.7900, having seen a best rate of DM 1.7930 during the day. Similarly against the Swiss franc it fell back to SwFr 1.7100 from SwFr1.7180, having touched SwFr 1.72000 at one point. The yen, suffered a slight set back, with the dollar finishing at Y247 compared with Y246.30 on Tuesday. On Bank of England figures the dollar's trade weighted index was unchanged at 86.6.

Sterling opened at $2.2435-2.2445 against the dollar and reached a high of $2.2475, before coming back to $2.2375 on dollar demand. At this point sterling also came on offer against other currencies, and this was reflected in its trade weighted index which dropped to 72.1 at noon from 72.3 at the morning calculation. During the afternoon the pound fell to a low of $2.2345, but as trading thinned out, demand for sterling at these lower levels helped it recover to $2.2475 before closing at $2.2410-2.2420, a rise of 40 points from Tuesday. On Bank of England figures, the pound's trade weighted index rose to 72.3 at the close from 71.7 at Tuesday's close.

D-MARK—Steady within European Monetary System, but weaker against dollar following sharp upward movement in U.S. interest rates — The D-mark showed an overall loss at yesterday's fixing, losing ground to the dollar and sterling as well as most EMS currencies. Funds were attracted into the U.S. unit on higher interest rates, and dealers saw little chance of any change in the situation for the time being. The dollar was fixed at DM 1.7897, its highest level since November last year, and well up from Tuesday's fix of DM 1.7824. Sterling rose to DM 4.0060 from DM 3.9980, and the only EMS currency to show a loss was the Belgian franc, which fell to DM 6.157 per BFr 100 from DM 6.158.

DUTCH GUILDER—Showing a steady rise within the EMS just recently and now top of the system—The guilder lost ground against the dollar and sterling but was generally firmer against its EMS partners. The D-mark fell to Fl 1.0988 from Fl 1.0999 and the Belgian franc was easier at Fl 6.768 per BFr 100 against Fl 6.7740. On the other hand the French franc rose to Fl 46.92 pere FFr 100 from Fl 46.90, and the Irish punt was higher at Fl 4.0620 compared with Fl 4.0600.

DANISH KRONE—Basically weak, suffering two devaluations since EMS began last March—The krone lost ground against its EMS partners overall, but improved in terms of the D-mark and the Belgian franc. The D-mark was fixed at DKr 3.1185, lower than Tuesday's level of DKr 3.1205, while the Belgian franc eased to DKr 19.23 per BFr 100 from DKr 19.25. Outside the EMS sterling and the U.S. dollar both gained ground to DKr 12.5060 and DKr 5.5845 respectively from DKr 12.4620 and DKr 5.5585, but the Swiss franc eased to DKr 3.2515 from DKr 3.2540.

ITALIAN LIRA—Remaining firm and close to the top of the EMS—Yesterday's fixing saw the dollar improve sharply on higher interest rates to its best level since early November last year. The U.S. unit was fixed at L830.30, more than three lira higher than Tuesday's fixing of L830.30, more than three lire ing amounted to $14.7m, of which one third was sold by the Bank of Italy.

THE POUND SPOT AND FORWARD

March 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2345-2.2475	2.2410-2.2420	0.65-0.55c pm	3.21	1.10-1.00 pm	1.87
Canada	2.5620-2.5805	2.5670-2.5680	1.35-1.25c pm	6.07	3.55-3.45 pm	5.45
Nethlnd.	4.38-4.43	4.40-4.41	3¼-2¼c pm	7.49	7½-6½ pm	6.58
Belgium	64.95-65.35	65.05-65.15	28-18c pm	4.24	70-60 pm	3.99
Denmark	12.46-12.52	12.47-12.48	¼-1¼ore dis	−0.90	4¼-5¾ dis	−1.64
Ireland	1.0800-1.0870	1.0855-1.0865	0.07-0.11p dis	−0.99	0.04-0.09dis	−0.24
W. Ger.	3.99-4.02½	4.00¾-4.01½	4¼-3¼pf pm	10.85	10¼-9¼ pm	10.10
Portugal	108.50-109.10	108.65-108.85	15c pm-15 dis	—	20pm-90dis	−1.29
Spain	150.70-151.50	151.05-151.15	5-45c dis	−1.98	95-155 dis	−3.31
Italy	1854-1863	1859-1860	2lire pm-par	0.64	4¼-6¼ dis	−1.13
Norway	11.07½-11.14	11.11-11.12	6¼-5¼ore pm	6.48	16-14½ pm	5.49
France	9.37½-9.42½	9.38½-9.39½	5¼-4¼c pm	6.07	12¼-11¼ pm	5.00
Sweden	9.50-9.55	9.52-9.53	5½-4½ore pm	6.30	12½-11½ pm	5.04
Japan	550-560	553-554	3.90-3.60y pm	8.13	9.85-9.55 pm	7.01
Austria	28.60-28.77	28.65-28.70	27-23gro pm	10.46	75-68 pm	9.97
Switz.	3.82-3.86½	3.83-3.84	5¼-4¼c pm	14.47	12¾-11¾ pm	12.65

Belgian rate is for convertible francs. Financial franc 68.60-68.70. Six-month forward dollar 1.50-1.40c pm. 12-month 2.35-2.25c pm.

THE DOLLAR SPOT AND FORWARD

March 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2345-2.2475	2.2410-2.2420	0.65-0.55c pm	3.21	1.10-1.00 pm	1.87
Ireland†	2.0680-2.0690	2.0680-2.0690	0.58-0.48c pm	3.07	1.30-1.15 pm	2.37
Canada	1.1474-1.1514	1.1478-1.1481	0.35-0.30c pm	3.41	1.07-0.97 pm	3.57
Nethlnd.	1.9620-1.9682	1.9623-1.9633	0.78-0.71c pm	4.55	2.40-2.30 pm	4.78
Belgium	29.00-29.09	29.03-29.05	4-2½c pm	1.34	18-15 pm	2.28
Denmark	5.5800-5.5820	5.5625-5.5640	1.90-2.40ore dis	−4.64	4.75-5.25dis	−3.59
W. Ger.	1.7835-1.7930	1.7880-1.7890	1.22-1.12pf pm	7.85	3.75-3.65 pm	8.27
Portugal	48.50-48.65	48.55-48.65	8-18c dis	−3.21	15-40 dis	−2.26
Spain	67.40-67.56	67.40-67.45	20-35c dis	−4.89	75-100 dis	−5.19
Italy	828.70-830.50	829.00-829.30	1.6-2.1lire dis	−2.68	5¾-6¾ dis	−3.01
Norway	4.9540-4.9675	4.9550-4.9560	1.60-1.10ore pm	3.27	4.65-4.15 pm	3.55
France	4.1825-4.1975	4.1870-4.1890	1.12-1.02c pm	3.06	3.55-3.45 pm	3.34
Sweden	4.2470-4.2510	4.2480-4.2490	0.95-0.75ore pm	2.40	3.05-2.85 pm	2.78
Japan	246.80-247.40	246.95-247.05	1.05-0.90y pm	4.74	3.25-3.10 pm	5.14
Austria	12.789-12.807	12.789-12.794	8.10-7.50gro pm	7.32	27.00-25.00pm	8.13
Switz.	1.7030-1.7200	1.7095-1.7105	1.75-1.68c pm	12.03	4.85-4.78 pm	11.28

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Mar. 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.579286	0.625718
U.S. $	13	1.29899	1.40129
Canadian $	14	1.49670	1.60126
Austria Sch	5¼	16.5699	17.8526
Belgian F	12	37.6255	40.5815
Danish K	13	7.21589	7.79470
D'Mark	7	2.31532	2.49781
Guilder	9½	2.54732	2.74864
French Fr	9½	5.45173	5.85951
Lira	15	1074.25	1158.87
Yen	7¼	322.150	345.139
Norwgn. Kr.	9	6.41441	6.92750
Spanish Pts.	8	87.4870	94.4192
Swedish Kr.	10	5.50473	5.94359
Swiss Fr.	3	2.22166	2.39832

CURRENCY MOVEMENTS

Mar. 5	Bank of England Index	Morgan Guaranty changes %
Sterling	72.3	−33.8
U.S. dollar	86.6	−7.2
Canadian dollar	82.9	−15.2
Austrian schilling	156.7	+24.2
Belgian franc	114.8	+13.4
Danish kroner	108.1	−3.2
Deutsche mark	156.7	+46.4
Swiss franc	193.5	+74.3
Guilder	126.1	+20.4
French franc	101.2	−6.1
Lira	54.7	−49.8
Yen	115.3	+14.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

Mar. 5	£	$		£ Note Rates
Argentina Peso	3830-3850	1710-1720	Austria	28.50-28.75
Australia Dollar	2.0420-2.0440	0.9105-0.9110	Belgium	66.30-66.80
Brazil Cruzeiro	102.88-103.88	45.90-46.35	Denmark	12.46-12.53
Finland Markka	8.49-8.51	3.7860-3.7880	France	9.34-9.40
Greek Drachma	87.536-89.609	39.23-39.33	Germany	4.01-4.03½
Hong Kong Dollar	11.14½-11.16½	4.9660-4.9710	Italy	1855-1915
Iran Rial	n/a	n/a	Japan	553-558
Kuwait Dinar(KD)	0.610-0.620	0.2746-0.2747	Netherlands	4.41-4.43½
Luxembourg Frc.	65.05-65.15	29.03-29.05	Norway	11.07-11.14
Malaysia Dollar	4.9050-4.9150	2.1865-2.1875	Portugal	105-112½
New Zealand Dlr.	2.3155-2.3175	1.0330-1.0345	Spain	147½-154
Saudi Arab. Riyal	7.49-7.59	3.3585-3.3635	Sweden	9.50-9.56
Singapore Dollar	4.8725-4.8835	2.1715-2.1735	Switzerland	3.83-3.85
Sth. African Rand	1.8075-1.8100	0.8065-0.8075	United States	2.237-2.245
U.A.E. Dirham	8.35-8.45	3.7380-3.7430	Yugoslavia	50-51½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 5	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5922	+2.02	+1.50	±1.53
Danish Krone	7.72336	7.78328	+0.78	+0.26	±1.64
German D-Mark	2.48208	2.50040	+0.74	+0.22	±1.125
French Franc	5.84700	5.86102	+0.24	−0.28	±1.3557
Dutch Guilder	2.74362	2.74785	+0.15	−0.37	±1.512
Irish Punt	0.668201	0.675607	+1.11	+0.59	±1.668
Italian Lira	1157.[illegible]	1159.57	+0.15	+0.14	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.00-17.10 per cent; three-months 17.50-17.60 per cent; six months 17.60-17.70 per cent; one year year 16.80-16.90 per cent.

Mar. 5	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	18⅞-19⅛	15¼-15½	8½-9⅛	10⅞-11⅛	2⅜-2⅝	7¾-7⅞	12¾-13	18-20	—	8-10
7 days' notice	18⅞-19⅛	15¾-16	8½-9½	11¼-11½	2⅝-2⅞	8 7/16-8 9/16	13-13¼	17-19	16 7/16-16 9/16	11¼-11⅞
Month	19⅝-19⅞	16⅛-16⅜	13-13⅜	11⅞-12⅛	4⅛-4⅜	8⅝-8¾	13 1/16-13 5/16	18-19	16-16⅛	11 7/16-11 11/16
Three months	19¾-20	17¼-18½	13⅛-13⅞	12⅝-12⅞	6-6⅛	9⅛-9¼	14⅛-14⅜	20-22¾	17 7/16-17 9/16	12⅛-12⅜
Six months	19¼-19½	17 7/16-17 9/16	14-14⅜	12⅞-13⅛	6 1/16-6 3/16	9½-9⅝	14⅞-15⅛	20-21	17 7/16-17 9/16	11 13/16-11 15/16
One year	18¼-18½	16⅞-17⅛	14¼-14⅝	12⅞-13⅛	6 1/16-6 3/16	9 5/16-9 7/16	14⅞-15⅛	21-22	16 15/16-17 1/16	11⅛-11⅜

Long-term Eurodollar two years 15⅝-15⅞ per cent; three years 15¼-15½ per cent; four years 15-15¼ per cent; five years 14¾-15 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

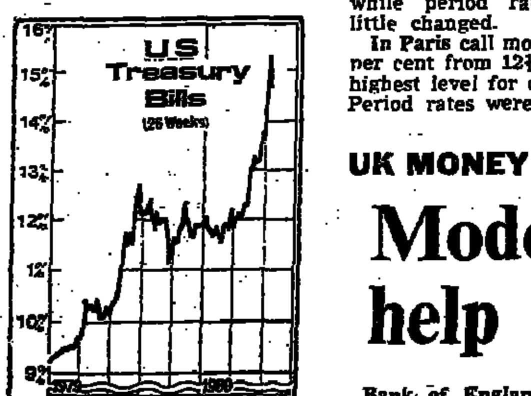
EXCHANGE CROSS RATES

Mar. 5	PoundSterling	U.S. Dollar	Deutschem'k	Japan'seYen	FrenchFranc	Swiss Franc	DutchGuild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.242	4.010	553.5	9.390	3.835	4.405	1860.	2.568	65.10
U.S. Dollar	0.446	1.	1.789	246.9	4.189	1.711	1.965	829.6	1.145	29.04
Deutschemark	0.249	0.559	1.	138.0	2.342	0.956	1.099	463.7	0.640	16.23
Japanese Yen 1,000	1.807	4.050	7.245	1000.	16.96	6.929	7.958	3360.	4.639	117.6
French Franc 10	1.065	2.387	4.271	589.5	10.	4.084	4.691	1980.	2.734	69.33
Swiss Franc	0.261	0.584	1.046	144.3	2.449	1.	1.149	484.9	0.669	16.98
Dutch Guilder	0.227	0.509	0.910	125.7	2.132	0.871	1.	422.1	0.583	14.78
Italian Lira, 1,000	0.538	1.205	2.156	297.7	5.050	2.062	2.369	1000.	1.381	35.01
Canadian Dollar	0.389	0.873	1.562	215.6	3.657	1.494	1.716	724.2	1.	25.36
Belgian Franc 100	1.536	3.443	6.160	850.2	14.42	5.891	6.767	2856.	3.944	100.

INTERNATIONAL MONEY MARKET

Dutch rates steady

Dutch short term interest rates were slightly easier yesterday, with call money steady at 10¾-11 per cent. Conditions were calm, helped by the recent strength of the guilder in the European Monetary System. Further liquidity could be added to the market through currency swaps by the central bank,



although the authorities may take advantage of the favourable rate of the guilder against the D-mark to increase foreign currency reserves. It is expected that Fl 700m in swaps will mature this week, and extra liquidity from long term swaps of about Fl 1.2bn will cover any daily market deficit. Subscriptions for the latest Government bond issue close on March 11, at a record coupon of 11½ per cent, compared with a previous high of 10½ per cent in 1974.

One-month money was quoted at 11⅞-12⅛ per cent, compared with 12-12¼ per cent; three-month at 12⅜-12⅝ per cent, compared with 12⅝-12⅞ per cent; and six-month at 12⅜-12⅞ per cent, compared with 12¾-13 per cent.

In Frankfurt call money was unchanged at 8.50-8.60 per cent, while period rates were also little changed.

In Paris call money rose to 13¼ per cent from 12 13/16 per cent, the highest level for over five years. Period rates were also firmer.

MONEY RATES

NEW YORK	
Prime Rate	16¼-17¼
Fed. Funds	14¾-15
Treasury Bills (13-weeks)	15.14
Treasury Bills (26-week)	14.64
GERMANY	
Discount Rate	7
Overnight Rate	8.55
One month	8.95
Three months	9.27½
Six months	9.40
FRANCE	
Discount Rate	9.5
Overnight Rate	13.125
One month	13.4375
Three months	13.9375
Six months	13.9375
JAPAN	
Discount Rate	7.25
Call (Unconditional)	9.5
Bills Discount (three-month)	11

GOLD

Firmer trend

Gold rose $9 an ounce in the London bullion market to close at $644-649, ahead of the IMF auction held in the U.S. The metal opened at $633-638 and was fixed during the morning at $641.75. The afternoon fixing showed a further rise to $643.50, and the metal touched a best level of $648-652.

In Paris the 12½ kilo bar was fixed at FFr 86,150 per kilo ($638.36 per ounce) compared with FFr 86,300 ($639.85) in the morning and FFr 85,250 ($634 [illegible]) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 36,975 per kilo ($642.47 per ounce) against DM 36,210 ($632.00) previously.

	Mar. 5		Mar. 3	
Gold Bullion (fine ounce)				
Close	$644-649	(£287-289¼)	$635-640	(£285¼-287½)
Opening	$633-638	(£282-284¼)	$630-635	(£281¼-283½)
Morning fixing	$641.75	(£286.291)	$633.25	(£282.600)
Afternoon fixing	$643.50	(£286.382)	$631.25	(£283.389)
Gold Coins				
Krugerrand	$648-649	(£287½-290½)	$637-641	(£285-288)
Mapleleaf	$642-652	(£286½-291½)	$635-645	(£284-289)
New Sovereigns	$162-164	(£72¼-73¼)	$158-160	(£70¾-72¾)
King Sovs	$180-182	(£80-81)	$178-181	(£79¾-81¾)
Victoria Sovs	$181-184	(80½-82½)	$180-182	(£80½-82½)
French 20s	$148½-151½		$147½-150½	
50 pesos Mexico	$792-802		$775-785	
100 Cor. Austria	$626-636		$610-620	
$20 Eagles	$751-756		$750-760	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Moderate help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave a moderate amount of assistance by buying a moderate amount of Treasury bills from the discount houses, a small number of local authority bills, and a small amount of eligible bank bills for resale to the market at a fixed future date.

Banks brought forward small surplus balances: small Government disbursements exceeded revenue payments to the Exchequer; and there was also a small decrease in the note circulation.

On the other hand repayment was made of money lent to the market by the Bank of England on Friday and Tuesday; while the market was also faced with the unwinding of repurchases of various bills; and a small net take-up of Treasury bills.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Mar. 5 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	16-18⅞	—	—	—	17½-18	16½-17	—	—	—
2 days notice	—	—	18⅝-19	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17⅞-18⅞	18¾-19	—	18-18¾	18⅛-18¾	16¾-17	—	—	—
One month	18⅛-18¼	18 7/16-18¾	18½-19	19⅛-19¼	18-18¾	18⅞-19	16⅞	15 29/32	18⅛-18¼	18½
Two months	18⅛-18¼	18 9/16-18¾	—	19¼-18¾	18¾	—	16⅝-16¾	16 1/32	17⅞-18	18⅝
Three months	18⅝-18⅛	18 9/16-18¾	18⅜-18¾	19-18½	18¾	18¾-18⅞	16½-16⅝	16 1/32	17 9/16-17 11/16	18¼
Six months	17 9/16-17 11/16	17½-18⅛	17⅞-18	17¾-17¼	18	18½	—	—	16⅝-16½	17
Nine months	17 7/16-16¾	17 7/16-17½	—	17⅜-16⅞	17¾	—	—	—	—	—
One Year	16 11/16-16⅝	16 13/16-17¼	17½-17⅝	17⅛-16⅞	17½	—	—	—	—	—
Two years	—	—	16⅝-17¼	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 18½-16¾ per cent; four years 16¾-16½ per cent; five years 16-16¼ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17¼-17⅜ per cent; four-month trade bills 18 per cent.

Approximate selling rates for one-month Treasury bills 15 23/32-15 27/32 per cent; two-months 15 29/32-16 per cent; three-months 16 1/32-16⅛ per cent. Approximate selling rates for one-month bank bills 17⅞-18 per cent; two-months 17⅝-17¾ per cent; three-months 17 7/16 per cent; one-month trade bills 18¼ per cent; two-months 18¼ per cent and three-months 18 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from March 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1236 per cent.

WORLD STOCK MARKETS

Wall St. mixed at mid-session

LED BY fresh strength in the Oils group, Wall Street picked up after an easier start to make a rather mixed showing at mid-session following further heavy trading.

The Dow Jones Industrial Average was a net 3.59 firmer at 860.07 at 1 pm, while the NYSE All Common Index gained 6 cents at $64.42, but falls still outnumbered rises at mid-session by an eight-to-five ratio. Turnover came to 32.06m shares, against Tuesday's 1 pm figure of 31.47m.

Analysts said rumours about finds in various locations and inflation-hedge psychology were behind the gains for the Oil group. Metals also firmed, but analysts added that aside from those areas, the rest of the market was waiting for some sign from Washington of new moves to combat ination. There were hopes that the debt market would end its steep slide.

CC 28 71/8 WALL ST 4 AND 5

Among Oils, Mobil climbed 3¾ to $89½ before a trading halt due to an order influx, after rising 6¾ on Tuesday. Gulf Oil gained 2¾ to $53⅜. Columbia Gas $1 to $44¾ and California Standard 2⅜ to $84. All are involved in exploration off Newfoundland.

Gold and Silver issues rose ahead of IMF gold auction. Dome Mines surged 5¼ to $78½, Homestake 3⅜ to $63¼, Asa 1¾ to $51⅜, Hecla Mining 2⅜ to $49⅝ and Sunshine Mining 1¼ to $39⅞. Aluminium shares were also higher. Alcan climbed 3⅜ to $65½, Alcoa 1½ to $69¾, Reynolds Metals 1¼ to $37⅝ and Kaiser Aluminium ⅞ to $23⅞.

THE AMERICAN SE Market Value Index advanced 3.34 to 303.50 at 1 pm. Volume 4.17m shares (3.61m).

Canada

Metal and Oil issues featured strongly on mainly firmer Canadian markets in active early trading. The Toronto Composite Index rose 18.8 to 2,183.7 at noon, while Golds advanced 130.5 to 3,635.6, Oil and Gas 83.6 to 5,159.9 and Metals and Minerals 33.6 to 2,410.3, but Banks shed 0.60 more to 305.64.

Tokyo

Shares again closed with a bias to lower levels after active dealings, but with Oil issues putting on a fresh show of strength and Machine Manufacturers also forging further ahead.

The Nikkei-Dow Jones Average regained 15.77 to 6,794.04, but the Tokyo SE index shed 0.66 more to 466.02 and declines outpaced gains on the First Market section by 367 to 250. Volume 450m shares (500m).

Brokers said Oil stocks and Mitsubishi, a leading Trading House importing a large amount of oil, were actively hunted, responding to news that Mobil Oil's share price surged ahead on the New York market. Mobil was reported on Tuesday to have found a new oil field. A fresh wave of buying also struck Machineries issues on Press reports that the major Japanese companies are planning a healthy equipment investment in the new fiscal year starting April 1.

Sugar companies advanced on the recent rise in the sugar price, while Nippon Wool and some other Woollen Textiles rose substantially in line with the higher domestic woollen yarn market following the prolonged strike by Australian wool storemen and packers.

Nippon Oil gained Y70 to Y2,100, Mitsubishi Y41 to Y785, Mitsubishi Petrochemical Y45 to Y326 and Nippon Wool Y52 to Y569, but Dowa Mining receded Y40 to Y770 and Hitachi Shipbuilding Y10 to Y164.

Germany

After Tuesday's setback, Bourse prices closed on a mixed note yesterday following moderate trading in a market which dealers said was dominated by the large institutions.

The session had opened firmly, but a pattern soon developed in which the institutions made selective purchases, generally to the benefit of stocks considered favourites among foreign buyers, such as KHD, Neckermann and Preussag. A good number of majors were ignored and closed steady or slightly lower. The Commerzbank index, down 6.1 the previous day, edged up 0.9 to 772.4.

Preussag put on DM 3, KHD in Engineerings, DM 9.50, and Neckermann, in Stores, DM 6.50, while Volkswagen added DM 1.20 and Electricals concern Siemens DM 1.80.

Klockner-Werke, in contrast, suffered a fall of DM 5.50 to DM 55 on announcing a capital cut, a development which seemed to also depress Thyssen-Industrie, off DM 2.

The Domestic Bond market ended the day slightly weaker, with Deutsche Bundesbank increasing its intervention and purchasing DM 9.6m nominal of stock after buying DM 8.1m on Tuesday.

Hong Kong

With fears of increased local interest rates mounting following the latest rise in U.S. Prime Rates and a downturn in local property prices contributing to the gloom, share prices generally fell afresh in a moderate turnover. The Hang Seng index receded 21.46 to 857.51, making a fall of 57.40 so far this week.

Jardine Matheson retreated 90 cents to HK$16.10, HK Bank 40 cents to HK$22.10, Hutchison Whampoa 30 cents to HK$8.40, Hang Seng Bank HK$6 to HK$129, HK Gas HK$2 to HK$24 and China Light 80 cents to HK$18.60.

Among Properties, HK Land declined 50 cents to HK$12.80, Cheung Kong 70 cents to HK$22.50, SHK Properties 70 cents to HK$16.80, Tai Cheung 15 cents to HK$3.10 and Swire Properties 12.5 cents to HK$4.875.

Australia

Markets generally lost further ground, although late "cheap" buying left some shares above the day's worst. The Sydney All Ordinaries Index shed 8.25 more to 574.00.

News that BHP's latest strike on the Exmouth Plateau produced gas condensate and not oil saw BHP fall to A$13.00 before recovering to A$13.45, down 25 cents on the day.

Oil Shale stocks fell on comments by Energy Minister Senator Carrick that oil shale reserves had yet to be proven viable. Rundle oil shale partners Central Pacific lost A$2 to A$45.00 and Southern Pacific 50 cents to A$16.50.

Partners in the Alpha oil shale project also fell, with Esperance receding 60 cents to A$2.90 and Greenvale 10 cents to A$1.10, although CSR, which has extensive oil shale interests in Queensland, was underpinned by stronger sugar prices and finished unchanged at A$6.40.

Johannesburg

Gold shares opened easier on further nervousness over the Rhodesian election victory for Mr. Mugabe. However, prices later picked up to close firmer for choice on the day, helped by a rising Bullion price and the feeling that an overall majority could bring stability to Rhodesia.

Randfontein gained 100 cents at R77.00, FS Geduld 50 cents at R61.00 and Stilfontein 75 cents at R18.75, but Buffels ended down 75 cents at R36.50.

Paris

A firmer tendency prevailed, helped by some institutional buying. The late recovery on Wall Street overnight, despite another round of Prime Rate increases by U.S. banks, had encouraged operators on the Paris Exchange, market observers commented.

Skis Rossignol climbed 29 to FFr 950 despite reports that its 1979-80 earnings would be below target.

Closing prices for North America were not available for this edition.

NEW YORK

Stock	Mar. 4	Mar. 3
[illegible]		

CANADA

Stock	Mar. 4	Mar. 3
Abitibi	23⅝	23⅝
Agnico Eagle	14⅝	14¾
Alcan Alumn	70¾	71
Algoma Steel	40	39⅞
Asbestos	36⅛	36
Bk Montreal	24⅜	24½
Bk Nova Scotia	23	24¼
Basic Resources	19	20
[illegible]		

BELGIUM (continued)

Mar. 5	Price Frs.	+ or —
Petrofina	6,710	+30
Royale Belge	5,250	—10
Soc Gen Banq	2,515	—50
Soc Gen Belge	1,565	—15
Sofina	3,260	+70
Solvay	2,350	+50
Traction Elect	2,355	+5
UCB	1,326	—24
[illegible]		

HOLLAND

Mar. 5	Price Fls.	+ or —
ACF Holding	70	+5
Ahold	72	+1.5
AKZO	24.9	—0.5
ABN	282	+6
AMEV	95	+1.8
AMRO	59.3	+0.8
[illegible]		

AUSTRALIA

Mar. 5	Price Aust. $	+ or —
ANZ Group	4.68	
Acrow Aust	1.02	
Allstate Expl	1.90	
Ampol Pet	1.16	—0.01
Assoc. Pulp Pap.	2.48	—0.02
Audimco	0.39	—0.05
Aust Cons Ind	2.20	
Aust Guarant	1.43	+0.03
[illegible]		

JAPAN (continued)

Mar. 5	Price Yen	+ or —
Makita	1,090	
Marubeni	428	—6
Marudai	516	—4
Marui	685	—4
Matsushita	693	
M'ta Elec Works	548	—1
M'bishi Bank	413	
[illegible]		

DENMARK

Mar. 5	Price Kroner	+ or —
[illegible]		

FRANCE

Mar. 5	Price Frs.	+ or —
[illegible]		

ITALY

Mar. 5	Price Lire	+ or —
[illegible]		

GERMANY

Mar. 5	Price DM	+ or —
[illegible]		

NORWAY

Mar. 5	Price Kroner	+ or —
[illegible]		

SWEDEN

Mar. 5	Price Kroner	+ or —
[illegible]		

SWITZERLAND

Mar. 5	Price Frs.	+ or —
[illegible]		

AUSTRIA

Mar. 5	Price %	+ or —
[illegible]		

BELGIUM/LUXEMBOURG

Mar. 5	Price Frs.	+ or —
[illegible]		

HONG KONG

Mar. 5	Price H.K. $	+ or —
[illegible]		

SINGAPORE

Mar. 5	Price $	+ or —
[illegible]		

SOUTH AFRICA

Mar. 5	Price Rand	+ or —
[illegible]		

Financial Rand US$1.01½ (Discount of 18%)

BRAZIL

Mar. 5	Price Cruz	+ or —
[illegible]		

Spanish prices, Page 24

Indices

NEW YORK—DOW JONES

	Mar. 5	Mar. 4	Feb. 29	Feb. 28	Feb. 27	Feb. 26	1979-80 High	1979-80 Low	Since Compil'tn High	Since Compil'tn Low
Industr'ls	856.48	854.45	863.14	884.44	886.12	884.25	903.84	796.67	1051.70	41.22
[illegible]										

NEW YORK ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
[illegible]			

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

World sugar market see-saws

By John Edwards, Commodities Editor

WORLD SUGAR prices see-sawed again yesterday. The May position on the London futures market fell to a low of £274, rose to £286 and closed at £279.25 at tonne, £1.25 down on the previous close.

The London daily price for raw sugar was cut by £5 to £242 in the morning.

Prices fell initially following confirmation that Pepsico has allowed the use of maize-based sweeteners in its cola products — a move announced by Coca Cola earlier.

It was then decided that the downward reaction had been overdone and prices shot up.

In Brussels, the EEC Commission only authorised exports of 1,000 tonnes of white sugar at its weekly selling tender.

The Commission cut the maximum subsidy granted to only 4.138 European currency units per 100 kilos, compared with 7.721 units granted on exports of over 63,000 tonnes last week.

It was noted that traders are finding it extremely difficult to decide what subsidy to bid for in view of the violently fluctuating world market prices. This explains the low level of exports this week despite the fact that the EEC still has a substantial amount of surplus sugar to sell.

Coffee prices driven up

BY RICHARD MOONEY

COFFEE PRICES rose sharply again yesterday as speculative activity continued to dominate the market.

The May futures position in London rose another £54.5 to £1,687.5 a tonne—the highest level since December 10. May coffee has now risen £129 in the past four trading days.

But London traders said the supply demand position did not support present price levels. One said the rise was "feeding on itself" with speculators who had sold "short" in anticipation of a downward reaction being forced cover against their sales as the upsurge continued.

A further influence in the rise was support buying by the Bogota group of Latin American producers, dealers said. What little producer selling there had been had dried up in the face of the rise, they added.

But most dealers agreed that the rise was likely to be followed by an equally sharp fall. "Once the market turns," said one, "the buyers will disappear. There is plenty of coffee available and most manufacturers are well covered."

In Rio de Janeiro, coffee exporters said Brazilian sales registered for this year, including January and February shipments, are likely to total over 3m bags (60 kilos each). They thought about 1.5m bags had been registered for March shipments and a further 1m for April.

Sales picked up dramatically in the second half of February after the negotiation of special deals at discount prices with leading roasters. The exporters said demand from European, U.S. and Far East roasters was still strong.

Brazil hopes to export 15m bags of coffee this year compared with 12m in 1979.

On Monday, the Brazilian Coffee Institute received registrations for about 170,000 bags, they said.

● In New York, coffee traders reported that the Colombian Coffee Growers' Federation had raised its price to private exporters by 9 cents to $2.09 a lb. They said this was the largest daily rise for a long time. The traders estimated rebates to roasters at 22.95 cents a lb.

Decline in agricultural land prices halted

By Our Commodities Staff

LATEST MINISTRY of Agriculture figures suggest that the decline in agricultural land prices during the second half of 1979 has now been halted.

The average price of farm land sold with vacant possession in the three months to January 1980 was £4,095 a hectare, according to provisional Ministry figures.

This compares with £4,056 in the three months ended December, and is also higher than the November figure of £4,066 a hectare.

The decline followed the achievement of a record average price of £4,355 a hectare in the May-July quarter.

It should be stressed, however, that the November-January figure is provisional as yet. It is based on sales covering only 4,800 hectares compared with 10,900 in December and 6,100 in January 1979. The October-December average, originally calculated at £4,010 has since been adjusted to £4,056 after taking a further 800 hectares into the sample.

Moreover, movements in the agricultural land price index, which allows for the regional and area size group composition of the reported sales, do not reflect the trend apparent in the movements of the average price.

BRAZIL COCOA

Local processing queried

A DEBATE is now in progress in Brazil on whether the country is taking maximum advantage of cocoa sales, which last year brought it $1bn in export earnings.

Half Brazil's crop is exported directly in the form of beans, while the other half goes to the processing companies to be made into liquor or cocoa butter.

Liquor has expanded its share of total product sales from 13 per cent in 1974 to 52 per cent in 1978, and the companies are quick to mention its advantages over butter as an exportable product.

However, according to the bean producers and exporters, the industry benefits from a government policy which favours products over beans, but it still does not make the profits it should.

Support for this argument came with the recent publication of a report prepared by the Cocoa Producers Consultant Council (CCPC) and published by the government body, the Getulio Vargas Foundation (FGV).

The report reaches the conclusion that in 1977 Brazil actually lost $76m in additional export earnings as a result of the domestic processing of cocoa.

The argument, which is likely to rage throughout 1980, revolves around government policies which have created favourable conditions for the domestic manufacturing industries, while the producers and exporters feel they have been made to subsidize the industry to the net disadvantage of the country's economy as a whole.

THE International Cocoa Organisation yesterday deferred discussion on extending the International Cocoa Agreement until March 10. The present Agreement is due to expire on March 31. The Ivory Coast proposed that the decision on extension should be made after discussion on negotiation of a new agreement.

As one disgruntled exporter explained: "A special line of credit worth Cr. 3.7bn (£37m) has been opened for the industry. They pay only 25 per cent interest on this credit while interest rates are now up around 30-35 per cent, and it is this the producer has to pay."

The latest bone of contention, he went on, is the government's export tax, which again gives special treatment to the industry.

"The processing companies pay 8 per cent tax on their exports of liquor, while bean exports pay 16 per cent. Even so, the industry still fails to get good prices abroad, to a point where it has been accused of dumping."

According to Sr. Irio Athanasio dos Santos, president of the CCPC, while production costs have soared in recent years, there will be no chance of a return on investments in production.

The reasons he gave were the devaluation of the cruzeiro by 30 per cent at the beginning of December; the rise in interest rates; and the creation of different export tax rates for beans and products.

The report prepared for the FGV takes into account the difference in prices paid for beans and products on the world market and estimates that Brazil would have earned another $47m had it exported the entire crop in bean form in 1977.

In addition the report points to the domestic costs, some $29m, for the industrialisation of the beans.

The report concludes that the economy pays twice for its support for the processing companies, first in the costs implicit in subsidised credit and second in the losses incurred through the relatively low prices paid for products on the international market.

Indeed, the report suggests that the industry can only compete internationally with the aid of the government.

Cocoa processing began in Brazil during World War Two when the need to divert more energy in the industrialised countries to the war effort created a new opportunity for producer countries to process their beans.

The percentage of the crop industrialised in Brazil rose from 2 per cent in 1939 to 10 per cent in 1948.

However, with the post-war recovery of European industry, it became necessary to create subsidies and special fiscal advantages for the processing companies in Brazil so that they would compete in the world market.

To avoid internal disputes over exports, the government devised a quota system whereby each company is allotted an amount it can export.

However, say the producers, this system favours the few big established companies, leading to a poor distribution of resources and threatening to prejudice the overall efficiency of the sector because the guaranteed export share of each company means it does not have to compete aggressively for its raw materials, resulting in a drop in prices paid to the producer.

Even so, the price paid to the producer rose between 1974 and 1978 by 250 per cent in real terms.

The reasons for the consistently poor prices received for cocoa products in recent years are many:

● World grinding capacity is in excess of demand.

● All the major producing countries now have subsidised industries which have to compete against each other on the world market.

● The producing countries still have little control over price levels.

Attempts by producers to reach a unilateral agreement on pricing and marketing policy, the so-called "Cocoa OPEC," have proved similarly ineffective, as the individual needs of each country have overridden common interests.

Tin hits new peak

BY OUR COMMODITIES EDITOR

TIN PRICES rose to new all time peaks yesterday. Cash tin on the Metal Exchange gained £137.5 to £8,347.5 a tonne, making a total rise of nearly £800 in the past week. Three months tin increased by £157.5 to £8,345.

The increase reflected another substantial upward move in the Penang market overnight where the Straits tin price gained M$60 to a record M$2,421 a picul (133.3 lb).

The surge in prices follows the U.S. announcement that it would delay sales of surplus stockpile tin by some three months to July.

However, Bolivia remains opposed to any stockpile sales, according to the Mines Ministry in a statement from La Paz.

Malaysian officials, according to Reuter, are worried that Bolivia might be tempted not to join the next International Tin Agreement as a protest against the stockpile sales.

In the meantime, however, consumers who were hoping to buy stockpile tin at cheaper prices this month have been forced to come into the market, and prices have rocketed as a result.

Other metals were also firmer. Copper made up some of the ground lost earlier this week, with cash wirebars closing £22.75 up at £1,170.75 a tonne. But the market weakened in late trading.

A pessimistic view of copper prospects came yesterday from Sr. Orlando Urbina, secretary general of the Council of Copper Exporting Countries (Cipec).

Writing in the Cipec quarterly review, Sr. Urbina said the pattern of rising demand for copper, coupled with stable production levels in 1979, will probably be revised this year. He claimed Cipec could not view the future with even a moderate degree of optimism.

A new tilt at cereal diseases

By Our Commodities Staff

A NEW weapon against fungal diseases, which are estimated to cost British cereal farmers about £90m a year through reduced yields, has been announced by Ciba-Geigy Agrochemicals.

The company claims its new product "Tilt" has a broader spectrum of control than any other single fungicide.

At its Press launch in Basle, Switzerland, this week, Mr. Richard Tysoe, Tilt's product manager, said it represented "the next generation of cereal fungicides."

British farmers spend about £24m a year on fungicides. The cost of Tilt, used at the standard rate, will be £11.25 per hectare.

Protection vessels ordered

By Our Commodities Staff

THE MINISTRY of Defence has ordered two new fisheries protection vessels from an Aberdeen shipbuilding company. The vessels, each of 245 feet, are to be built by Hall, Russell.

Commenting on the order, Mr. Alick Buchanan-Smith, Minister of State for Agriculture and Fisheries, said it provided further evidence of the importance the Government attached to fisheries.

He said fisheries protection had a crucial role in conserving stocks around Britain's coast

Soviet Union unable to cover grain shortfall, claims U.S.

WASHINGTON—Mr. Howard Hjort, U.S. Agriculture Department's chief economist, claimed here that the Soviet Union has failed to make progress in covering its import needs for the critical period from March through June.

He told a Press conference that the Soviets need imported grain for these four months to fill the gap caused by the U.S. halt in agricultural shipments.

After June, the success of the USSR in meeting its grain requirements will depend on the South American crops and on its domestic grain crop, Mr. Hjort said.

USDA estimates are essentially unchanged on how much grain Russia will be able to get from other sources.

In fact, an USDA forecast that the Soviet Union may be able to obtain between 5m to 9m tonnes of grain from all sources this year may be too high, Mr. Hjort said.

The key for the Soviet situation in the future will be if the USSR has a good crop this year or if production stays around last year's low level, he added.

Meanwhile in Bonn it was pointed out that West Germany has not exported soyabeans or soya products to the Soviet Union for the past two years, and no such exports are foreseen this year either.

Mr. Josef Ertl, Agriculture Minister, in a formal reply to a parliamentary question, said West German soya exports to other Soviet bloc countries for the 1978-79 period comprised soya meal only.

Reuter

New move in Australian wool strike

CANBERRA — Australia's Federal Government is expected to announce plans today to end the seven-week old national wool strike.

An official said the Government had made a series of decisions based on the report of a task force made up of industry and government representatives.

Meanwhile, Prime Minister Malcolm Fraser told Parliament the strike by wool handlers was threatening the jobs of thousands of textile workers in Japan.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained ground on the London Metal Exchange. Forward metal opened around £1180 and moved ahead to £1190 in the morning following fresh speculative interest. In the afternoon a strong opening on Comex provided further impetus and London rose afresh to touch £1200 at which point fairly heavy profit-taking emerged to pare the price to £1193.5 on the late kerb. Turnover 21,650 tonns.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1170-1	+16	1170-1.5	+22.7
3 months	1188-9	+18	1190-.5	+25.7
Settlem't	1171	+16	—	......
Cathodes				
Cash	1125-6	+18	1122-5	+18.5
3 months	1156-8	+19	1154-6	+19.5
Settlem't	1126	+17	—	......
U.S. Prod	—	......	*120-131	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1167, 69, 70, three months £1186, 85, 84, 83, 85, 84, 85, 86, 88, 89, 90, 91, 88. Cathodes cash £1125, three months £1157. Kerbs: Wirebars three months £1189, 88, 86, 85, 86, 87. Cathodes three months £1155. Afternoon: Wirebars three months £1198, 97, 96, 95, 94, 93, 93.5, 93, 90, 92, 91, 90, 90.5, 90. Cathodes three months £1157, 56. Kerbs: Wirebars three months £1194, 91, 89, 90, 91, 92, 93, 94, 95, 94, 93, 92, 93.

TIN—Higher again with both cash and forward metal reaching peak levels. Another sharp rise at Penang prompted a strong opening with forward metal moving ahead from £8320 to £8350. However, in the rings profit-taking pared the price to around £8280 before renewed demand in the afternoon lifted three months material to £8370 on the late kerb. Turnover 1810 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8335-40	+242	8345-50	+137.
3 months	8320-40	+227	8350-60	+182.
Settlem't	8340	+240	—	......
Standard				
Cash	8335-40	+242	8345-50	+137.
3 months	8320-30	+227	8340-50	+157.
Settlem't	8340	+240	—	......
Straits E.	‡$2421	+60		......
NewYork	—	......		......

Morning: Standard cash £8325, 40, 35, 40, 35, three months £8300, 10, 15, 20, 25. Kerbs: Standard three months £8330, 20, 30. Afternoon: Standard three months £8350, 40, 30, 40. Kerbs: Stanard three months £8350, 45, 60, 70, 55.

LEAD—Firmer in quiet trading with the rise in copper tending to sustain prices. Forward metal traded at £507 on the pre-market and dipped to £501 in the morning rings on profit-taking before recovering to close the late kerb at £508.5. Turnover 6650 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	555-60	—20	562-6	+8
3 months	502-3	—7.5	507-8	+8
S'ment	560	—20	—	......
U.S. Spot	......	......	*50	......

Morning: Cash £560, three months £508, 7, 8, 2, 3, 4, 3, 2, 3, 4, 3. Kerbs: three months £502, 3. Afternoon: three months £505, 6, 7, 6, 7, 6.5, 7, 8. Kerbs: three months £506, 6, 5.5, 7, 8.

ZINC—Barely changed in idle trading with forward metal dipping to £383.5 on the morning kerb prior to closing the afternoon at £386.5. Turnover 4650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	375-6	—3	375-7	+4
3 months	386-7	—1	385-7	—1.25
S'ment	376	—3	—	......
Primw'ts	—	......	*37.5	......

Morning: cash £376, three months £387, 86, 87. Kerbs: three months £386, 84, 85, 84. Afternoon: three months £385, 86, 85, 87. Kerbs: three months £386, 87.

ALUMINIUM — Marginally firmer. Forward metal moved ahead strongly during the morning to touch £940 as persistent small buying demand found a marked absence of sellers. Light profit-taking was reported in the afternoon and this pared three months metal to £935.5 on the late kerb. Turnover 5550 tonnes.

Alumin'm	a.m. Official	† + or —	p.m. Unoffic'l	†+or —
	£	£	£	£
Spot	922-4	—1	922-4	+4
3 months	936-7	+2	935-6	+5

Morning: mid-April £933, three months £940, 39, 38, 37, 36, 35. Kerbs: three months £937, 36, 37. Afternoon: three months £937, 38, 39, 38, 37, 36. Kerbs: three months £936, 35.

NICKEL—Unchanged with forward metal trading within narrow limits before closing the late kerb at £3257.5. Turnover 360 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	3160-80	+10	3160-70	—
3 months	3265-70	+15	3260-5	—

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: three months £3250, 45, 40, 45, 50, 55, 60, 65. Afternoon: three months £3255, 60. Kerbs: three months £3260, 55.

SILVER

LME—Turnover 213 (183) lots of 10,000 ozs. Morning: cash 1,640, three months 1,665, 70, 75, 74, 85, 90, 88, 90, 88, 85. Kerb: three months 1,690. Afternoon: three months 1,685, 75, 80, 77, 70, 65, 69, 70. Kerb: three months 1,670, 65, 60.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	1622.10p	+76.4	1625p	+60
3 months	1670.60p	+79.5	1671.0p	+68.5
6 months	1695.55p	+85.5	—	......
12months	1739.05p	+85.6	—	......

Silver was fixed 76.4p an ounce higher for spot delivery in the London bullion market yesterday at £16.221. U.S. cent equivalents of the fixing levels were: Spot $36.31, up $1.67; three-month $37.21, up $1.723; six-month $37.745, up $1.902; and 12-month $38.543, up $2.076. The metal opened at £15.90-16.25 ($35¾-36½) and closed at £16.15-16.50 ($36¾-37½).

COCOA

A little easier during the morning futures steadied late in the afternoon session and closed with a flourish at the highs of the day. Cocoa beans remain rather neglected but both producers and consumers were active participants for products, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1393-95	+16.0	1392-70
May	1432-35	+18.0	1433-09
July	1452-52	+15.5	1466-32
Sep	1475-77	+15.0	1477-56
Dec	1510-13	+14.5	1510-1495
March	1530-40	+13.5	1528
May	1550-70	+11.0	—

Sales: 4,082 (3,211) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound). Daily price March 4 141.73 (142.03). Indicator price March 5 15-day average 144.85 (145.47). 22-day average 146.37 (146.61).

COFFEE

Robustas opened £10-£20 higher, reports Drexel Burnham Lambert. Good commission house buying prompted further gains and short-covering was also evident. In the afternoon a special call halted open trading for a short while and producer participation together with price-fixing operations boosted the volume during a hectic session.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1645-50	+65.5	1655-93
May	1686-89	+54.5	1690-47
July	1737-38	+53.5	1740-97
Sept	1776-77	+39.5	1778-32
Nov	1772-76	+34.5	1778-49
January	1762-86	+31.5	—
March	1755-40	—	—

Sales: 10,012 (9,365) lots of 5 tonnes.

ICS Indicator prices for March 4 (cents per pound): Other Mild Arabicas 184.33 (176.67); Robustas ICA 1976 170.50 (169.50); ICA 1968 170.75 (169.75); Unwashed Arabicas 204.00 (202.00); Comp. daily ICA 1968 190.47 (187.20).

GRAINS

LONDON GRAIN FUTURES — The market opened lower. Outstanding stoploss selling, as well as nervous merchant sellers forced values down with near panic sellers emerging after lunch. New crops were generally well supported on all dips and closed only slightly lower, reports Acli.

	WHEAT		BARLEY	
M nth	Yest'rdays close	+ or —	Yest'rday close	+ or —
Mar.	92.50	—1.10	91.45	—1.15
May	95.80	—0.40	94.65	—0.95
Sept	93.95	—0.25	91.80	—0.20
Nov	97.95	—0.25	95.95	—0.25
Jan	102.00	—0.25	99.95	—0.52

Business done—Wheat: March 93.00-92.60. May 96.95-95.70. Sept. 93.90-93.80. Nov. 98.00-97.65. Jan. 101.90-101.70. Sales: 419 lots of 100 tonnes. Barley: March 91.95-91.80. May 95.50-94.50. Sept. 91.90-91.60. Nov. 96.00-95.80. Jan. 99.95-99.80. Sales: 450 lots of 100 tonnes.

IMPORTED — U.S. Dark Northern Spring No. 2, 14 per cent, March 99, April-May 97.75, May 97.75 transhipment East Coast. Maize: U.S./French March 116, April 117 transhipment East Coast. S. African Yellow April 75.50. Barley: English Feed fob April 99.50 seller. April 99.75-99.50 paid East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: E. Midlands 93.80. Scotland 94.80. Other milling wheat: E. Midlands 96.00.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 280 tonnes, bringing the total for the week so far to 477 tonnes. A modest demand developed, without orders of any weight being fixed up. Varying price levels handicapped the turnover, interest in American types being restrained.

RUBBER

The London physical market opened about unchanged with little interest throughout the day, closing on an easier note. Lewis and Peat reported a Malaysian godown price of 331 (333) cents a kg (buyer, March).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Apr.	71.60-73.00	75.55-75.75	—
May	73.60-74.50	73.60-74.50	—
Apr.-Jne	73.75-73.90	74.50-76.00	75.00-75.88
Jly.-Sept	78.50-78.65	79.20-79.50	80.70-77.55
Oct.-Dec	82.40-82.45	83.10-83.20	84.50-81.50
Jan.-Mar	85.10-85.25	85.70-85.90	86.60-84.20
Apr.-Jne	87.75-87.90	88.25-88.50	88.50-87.40
Jly.-Sept	90.00-90.40	90.80-90.85	92.00
Oct.-Dec	92.40-92.45	92.90-93.30	92.35-92.25

Sales: 798 (576) at 15 tonnes.

Physical closing prices (buyer) were: Spot 71.25p (72.50p): April 73.25p (73.50p): May 75.25p (75.75p).

SOYABEAN MEAL

The London soya bean meal market opened with small losses but steadied on trade buying, reports T. G. Roddick. Prices remained steady during a quiet trading day and finished with gains of around 50p.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
April	110.90-11.0	+0.25	111.10-10.70
June	110.80-11.0	+0.60	111.00-10.90
August	112.80-13.2	+0.40	113.00-12.70
October	112.60-13.0	+0.45	113.00-12.00
December	115.80-16.4	+0.40	116.00-15.30
February	118.10-18.4	+0.30	18.70
April	119.80-20.5	+0.10	—

Sales: 85 (104) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £242.00 (£247.00) a tonne cif for March-April shipment. White sugar daily price was £270.00 (£278.00).

The market opened around overnight levels but the selling was soon exhausted. Then as buyers pressed in thin conditions gains of up to £10 were quickly recorded before sellers re-emerged and the advance was halted. Thereafter trading was confined within a £2 range until the close when all the gains were wiped out although some shortcovering at the lows lifted quotations on the bell, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	248.00-48.00	248.35-48.45	252.00-42.00
May	279.00-79.50	280.25-80.75	286.00-74.00
Aug	290.75-91.00	290.75-91.00	299.25-85.00
Oct	302.00-03.00	300.50-300.7	311.50-294.0

Sales: 9,233 (9,735) lots of 50 tonnes.

NUMBER 4 CONTRACT — Close (in order buyer, seller only). May 280.00, 292.00, Aug. 291.00, 294.00; Oct. 303.25, 305.00; Jan. 307.00, 312.00; March 311.00, 317.00; May 314.00, 320.00. Sales: 178 (410).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.70 (same) a tonne for home trade and £318.00 (£333.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Carribean port). Prices for March 4: Daily price 23.44 (23.80); 15-day average 23.03 (23.18).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 408, 411, nil, nil; Aug. 423, 424, 423, 6; Oct. 422, 424, 425-424, 4; Dec. 422, 425, nil, nil; Jan. 423, 425, nil, nil; March 424, 430, nil, nil; May 432, 434, nil, nil; Aug. 433, 437, 435, 3. Sales: 13.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March 475.5, 476.0, 480.5-475.0, 78; May 490.0, 491.0, 495.0-488.0, 152; July 518.5, 519.0, 519.0-514.0, 366; Oct. 520.0-520.3, 522.0-518.0, 92; Dec. 522.0, 523.0, 523.0-519.0, 97; March 522.0, 523.5, 524.0-521.0, 61; May 523.0, 525.0, 523.0-522.0, 6; July 523.0, 525.0, 524.5-521.0, 25. Sales: 877.

PRICE CHANGES

In tonnes unless otherwise stated.

	Mar. 5 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt (es)	$2150/2170	—30	$2040/60
Copper			
Cash w'bar	£1,170.75	+22.75	£1,294.5
3 mths	£1,192.5	+26	£1,293.5
Cash Cathode	£1,123.5	+18.5	£1,242
3 mths	£1,155	+18.5	£1,263.5
Gold troy oz	$646.5	+9	$717.5
Lead cash	£564	+9	£494
3 mths	£507.5	+8	£478.5
Nickel	£3,335	....	£3,185.78
Freemkt(cif (lb)	310/340c	....	305/330c
Platin'mtr'y oz	£189.0	....	£189
Free mkt	£466.6	+36.6	£400
Quicksil'ver†	$395/405	....	$390/405
Silver troy oz	1622.10p	+78.4	1701.6p
3 months	1670.60p	+79.56	1739.6p
Tin Cash	£8,347.5	+157.5	£7,295
3 mths	£8345	+157.5	£7,312.5
Tungsten22.04lb	$138.76	....	$138.72
Wolfrm 22.04 lbs	$141/147	....	$139/144
Zinc cash	£376	+4	£368
3 months	£386	—1.25	£378.5
Producers	$825	....	$780/825
Oils			
Coconut (Phil)	$812.50t	—15	$886
Groundnut	‡	....	‡
Linseed Crude	£435r	....	£431
Palm Malayan	$640r	+2.5	$675
Seeds			
Copra Philip	$630r	—20	$585
Soyabean(U.S.)	$288.40n	+2	$302
Grains			
Barley Futures	£94.85	—0.95	£100
Maize			
French No3AM	£116r	—0.5	£117.50
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	‡	....	£99
Eng. Millingt	‡	....	‡
Other commodities			
Cocoa ship.t	£1,440	+16	£1,634
Future May.	£1,432.5	+18	£1,475.5
CoffeeF't'rMay	£1,687	+54.5	£1,508
Cotton A.Index	94.90c	—0.9	98.10c
Rubber (kilo)	71.25p	—1.25	82.60p
Sugar (Raw)	£242	—5	£223
Wooltp's 64s kl	297p kilo	....	292p kilo

r March. s June. v May. t March-April. u April. w April/May. x July. z Indicator. § Buyer. † Per 76 lb flask.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on March 5. GB cattle 80.43p per kg lw (+1.03); UK sheep 157.3p per kg est dcw (—3.6); GB pigs 67.0p per kg lw (+4.2).

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 63.0 to 67.0, Eire hindquarters 71.0 to 74.0, forequarters 46.0 to 49.0. Veal: Dutch hinds and ends 100.0 to 112.0. Lamb: English small 66.0 to 75.0, *English small 78.0, medium 64.0 to 72.0, heavy 50.0 to 66.0. Imported frozen—NZ PL new season 53.0 to 54.0, PM new season 51.0 to 52.0. Pork: English, under 100 lbs 40.0 to 48.0, 100-120 lbs 38.0 to 47.0, 120-160 lbs 38.0 to 44.0. * Special Quotation:—Very high quality produce in limited supply.

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navel 3.50-4.50; Jaffa: Shemouti 50/189's 3.90-5.40; Moroccan: 64/113's 4.00-4.20; Cyprus: Valencia Lates 3.70-4.00. Satsumas—Spania: 95/189's 3.40-4.30; Wilkings: 5.00-6.00. Lemons—Italian: 100/150's 4.20-4.50; Cyprus: 15 kg 84/120's 3.50-4.30; Californian: 99/165's 4.80-6.00; South African: 80/120's 5.00-5.60. Grapefruit—Cyprus: 20 kb 3.10-4.40; Jaffa: Large boxes 32/88's 4.00-4.80; Florida: Pink Flesh 36/48's 5.00-5.40. Apples—French: Golden Delicious, boxes 40-al 138/175's 3.60-5.60, 20 lb 1.80-2.80; Granny Smith 20 lb 2.80-3.40, 40 lb 5.00-6.30, Starkcrimson, approx. 20 lb 72's 2.60, 40 lb 5.80-6.80; Italian: Granny Smith 20 pound per pound 0.16-0.17, Jonathan 0.08½, Starking 0.10-0.14, Golden Delicious 0.10; Spanish: Starkcrimson 4.00-4.50; Italian: Romes 0.09. Pears—South African: Williams Bon Chretien 34 lb approx. 6.20, B. Hardy 6.00, B Bosc 5.50. Grapes—Californian: Red Emperor, per pound 0.50-0.55; South African: Alphonse 5.00-5.20, Waltham Cross 4.80. Plums—South African: Kelseys 0.55 per pound. Ortaniques—Jamaican: 54/126's 6.50-7.25. Avocados—Israeli: 4.00-4.20. Melons—Ecuador: White 4.00; Chilean: White 8.50; Colombian: Green 10 kg 6.50. Pineapples—Ivory Coast: Each 12 0.50-0.80, 8's 1.00-1.10; South African: 6/8's 2.40-2.70. Onions—Spanish: 4.50-6.00; Dutch: 3.50; Canadian: 50 lb 4.00-4.30. Tomatoes—Canary: 4.00-5.50. Bananas—Jamaican: 28 lb 0.17. Lettuce—Dutch: 24's 2.00. Cucumbers—Canary: 14/18's 1.50-2.40; Dutch: 3.80. Capsicums—Canary: Per pound 0.40. Celery—Israeli: 20/28's 2.00-3.00; Spanish: 18/36's 3.00-4.50; Californian: 36's 7.20. Chicory—Belgian: 5 lb 1.80. Potatoes—Italian: Boxes 20 lb 2.80; Egyptian: White 4.20, King Edward 4.80-5.00; Canary: 7.40. Dates—Tunisian: 30's per box 0.36-0.42. Cauliflowers—French: 24's 6.00-6.20. English Produce: Potatoes: Per box 2.20-2.60. Mushrooms—Per pound 0.50-0.55. Apples—Per pound Bramley 0.09-0.15, Cox's Orange Pippin 0.10-0.17, Laxton 0.08-0.10, Spartans 0.08-0.10. Pears—Per pound Conference 0.07-0.13, Comice 0.16-0.22. Swedes—Per 25/28 lb 0.60-0.70. Turnips—Per 28 lb 1.00. Sprouts—Per pound 0.07-0.08. Carrots—Per bag 0.60-1.00. Cabbages—Per bag 0.80-0.90. White 1.30. Cucumbers—Trays 16/20's 4.00-4.50. Tomatoes—Per pound 0.60-0.70. Lettuce—Per 12, round 1.20.

*

GRIMSBY FISH—Supply fair, demand fair. Prices at ship's side (unprocessed) per stone: Shell cod £2.80-£3.90, Codlings £2.20-£3.40; Large plaice £3.00, medium £3.00, best small £3.00-£3.30; Skinned dogfish (large) £10.50, (medium) £8.50; Lemon soles £10.50; Rockfish £3.20-£3.70; Reds £3.30-£4.20; Saithe £2.70

AMERICAN MARKETS

NEW YORK, March 5.

GOLD CLOSED lower on commission house liquidation after having advanced in anticipation of a good take-off at the IMF auction. Commission house and trade buying pushed copper into new high ground. Livestock markets are waiting for direction and closed mixed in a very narrow range. Coffee was sharply higher on another increase in export registration in Columbia. Cocoa advanced on good commission house buying and short-covering. Grains and soyabeans closed mixed on a low volume. Good support in cotton led to gains, reported Heinold.

¶Silver—March 3600.0-3645.0 (3615.0). April 3637.0 (3642.0). May 3660.0-3720.0. July 3760.0. Sept. 3822.0. Dec. 3902.0. Jan. 3929.0. March 3983.0. May 4037.0. July 4091.0. Sept. 4145.0. Dec. 4215.0. Jan. 4239.0. Sales: 1,800. Handy and Harman bullion spot 3670.00 (3450.00).

Copper—March 115.30-115.70 (113.30). April 117.00 (114.70). May 118.50-119.00. July 121.60-122.00. Sept. 124.40. Dec. 127.60. Jan. 129.00. March ——. May 132.80. July 134.30. Sept. 135.80. Dec. 137.80. Jan. 138.50. Sales: 15,000.

Potatoes (round whites)—April 49.3 (52.5). May 60.2-60.5 (62.3). Nov. 76.7. Sales: 1,185.

Sugar—No. 11: May 25.80-25.85 (25.65). July 27.55-27.60 (27.01). Sept. 28.56-28.60. Oct. 29.05-29.10. Jan. 29.55. March 30.08. May 30.00. July 30.15. Sales: 13,650.

Tin—875.00-880.00 asked (861.00-875.00).

CHICAGO, March 4.

Lard—Chicago loose 19.50 (19.25). New York prime steam unavailable.

Live Cattle—April 70.40-70.30 (70.40). June 73.35-73.45 (73.45). Aug. 72.90-72.97. Oct. 71.60-71.75. Dec. 72.85. Feb. 73.00.

Live Hogs—April 37.75-37.80 (37.92). June 42.40-42.50 (42.52). July 43.90-43.95. Aug. 43.10-43.00. Oct. 42.45-42.50. Dec. 44.90. Feb. 46.87. April 45.85. June 46.00.

‡‡Maize—March 264½-264¼ (265½). May 277½-277¼ (277). July 288½-288¼. Sept. 297. Dec. 307-307¼. March 318-318¼.

Pork Bellies—March 42.40-42.30 (42.25). May 43.80-44.00 (43.65). July 45.10-45.40. Aug. 44.52-44.70. Feb. 54.40. March 54.70. May ——. July ——. Aug. ——.

Silver—March 3550.0 (3350.0). April 3615.0 (3640.0). June 3695.0. Aug. 3755.0. Oct. 3815.0. Dec. 3877.0. Feb. 3938.0. April 3995.0. June 4060.0. Aug. 4121.0. Oct. 4182.0. Dec. 4243.0. Feb. 4304.0. April 4365.0. June 4426.0. Aug. 4487.0.

†Soyabeans—March 641 (643¼). May 665-664 (666½). July 687-688. Aug. 697½-697¼. Sept. 706. Nov. 719½-720. Jan. 737. March 756¼.

‖Soyabean Meal—March 172.60 (173.10). May 180.50-180.10 (181.20). July 187.60. Aug. 190.70-190.80. Sept. 193.20-193.30. Oct. 196.00-196.20. Dec. 200.40-200.50. Jan. 202.50-203.00. March 207.50.

Soyabean Oil—March 22.70-22.72 (22.63). May 23.38-23.48 (23.33). July 24.05-24.10. Aug. 24.40. Sept. 24.65-24.70. Oct. 24.90-24.95. Dec. 25.35. Jan. 25.50. March 25.70-25.80. May 25.90-26.10.

†Wheat—March 443½- (445¾). May 457½-458 (456½). July 463½-464. Sept. 474-474½. Dec. 490½. March 505½.

WINNIPEG, March 5. §Barley—March 110.00 (110.30). May 113.50 (113.20). July 115.90. Oct. 112.90. Dec. 112.10.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 222.05 (222.40).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, March 5.

Wheat—U.S. No. 2 Red Winter April $200. U.S. No. 2 Northern Spring, 14 per cent, March $203, April-May $199, May $198, June $200, July $200.50, Aug. $204, Sept. $207, Oct. $210, Nov. $212, Dec. $217. Rest unquoted.

Maize—U.S. No. 3 Corn Yellow afloat $136, March $136.40, April-June $137.25, July-Sept. $142, Oct.-Dec. $146.50.

Soyabeans—U.S. Two Yellow Gulfports March $268.75, April $271.75, May $275, June $280, July $282.75, Aug. $286, Sept. $289, Oct. $290.50, Nov. $290, Dec. $298.25, Jan. $300.25, Feb. $306.25, March $309.50.

Soyameal—44 per cent protein U.S. afloat $229 traded, afloat $229, March $229.50, April-May $231, April-Sept. $235.50, Nov.-March $254 sellers. Brazil Pellets March $248, April-May $236, April-Sept. $242 sellers.

PARIS, March 5.

Cocoa (FFr per 100 kilos)—March 1261-1290, May 1304-1320, July 1315, Sept. 1350-1370, Dec. 1365-1375, March 1370-1380. Sales at call 1.

Sugar (FFr per 100 kilos)—May 2566-2569, July 2570-2600, Aug. 2600-2610, Oct. 2650-2660, Nov. unquoted, Dec. 2680-2740, March 2700-2770, May 2710-2790. Sales at call 25.

INDICES

FINANCIAL TIMES

Mar. 4	Mar. 3	M'nth ago	Year ago
304.85	305.02	310.45	270.25

(Base: July 1, 1952=100)

MOODY'S

Mar. 4	Mar. 3	M'nth ago	Year ago
1405.6	1397.7	884.18	1071.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 4	Mar 3	Month ago	Year ago
Spot	439.99	442.26	876.62	375.48
F'tur's	459.04	465.56	110.15	382.25

(Average 1924-25-26=100)

REUTERS

Mar. 5	Mar. 4	M'nth ago	Year ago
1794.5	1797.1	1832.6	1556

(Base: September 18, 1931=100)

Recovery sets in as interest rate anxieties subside
Gilts regain £1 and 30-share index rallies 4.3 to 460.4

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 25	Mar. 6	Mar. 7	Mar. 17
Mar. 10	Mar. 20	Mar. 21	Mar. 31
Mar. 24	Apr. 10	Apr. 11	Apr. 21

* "New time" dealings may take place from 9 a.m. two business days earlier.

Reassured by Press reports that the authorities would probably give further assistance *to the banks and money markets* in order to alleviate the severe upward pressures on short-term interest rates, most sectors of stock markets regained some composure after Tuesday's jittery session. The strong belief that the Government would prevent a pre-Budget rise in Minimum Lending Rate was of particular importance to Gilt-edged securities and encouraged investors to look again at the yields offered throughout the list.

This sector led the rally when relatively small investment demand brought a sharp response in an oversold market. Having sustained the larger falls on Tuesday, the longs were especially quick to respond and closed with gains stretching to a point; the partly-paid long tap Treasury 14 per cent 1996 recovered ¾ to 19⅜ in £20-paid form, while the £70-paid Treasury 12½ per cent "A" *2003-05 moved up a point* to 65¼.

The shorts were rarely far behind with business tending to increase as the day progressed, and prices regained their upward momentum in trade after the official close, having looked slightly reactionary just before 3.30 pm. The extent of the recovery was measured by final *rises extending to 1¼*, the short tap, Exchequer 13½ per cent 1983, being that much higher at 95 5/16.

After levelling their books elsewhere on Tuesday to accommodate increased financing costs in secondary Oils, dealers in leading shares encountered moderate institutional inquiry. Prices overcame some early indecision and edged forward a penny or so, although most attention was focused on the secondary Oil market and situation issues with both areas establishing many firm features.

From noon onwards, leading equities found the going laborious, a fact illustrated by the FT 30-share index which, after recording a rise of 3.6 at 12.00 noon, closed a net 4.3 up at 460.4 for its first gain in four trading sessions.

In common with other Central African issues, **Southern Rhodesian bonds** *turned steadier and* the 6 per cent 1978-81 stock closed 3 points up at £136.

Demand for Traded options improved slightly with a total of 606 contracts completed compared with the previous day's 570. **Cons. Gold Fields** attracted 143 deals on the interim results, while **Shell** were also wanted, recording 103 deals; the latter's annual results are expected today.

Recently placed at 44p, **Webber Electro Components** made a quiet debut in Special Rule dealings and, after opening at 59p, eased to close at 57p.

Banks mixed

The major clearing banks plotted an irregular course in *thin trading. Barclays rose 6 to* 438p and **NatWest** 5 to 350p, while **Lloyds**, 290p, and **Midland**, 348p, eased 2 apiece. Elsewhere, **Provident Financial** advanced 5 to 99p on further consideration of the preliminary results and **Grindlays** edged forward a couple of pence to 140p, also on results. **Hambros** shed 10 to 345p among lack-lustre merchant banks.

An unsettled market of late on fears that Marsh McLennan's bid may be referred to the Monopolies Commission, **C. T. Bowring** picked up 4 to 137p in a quietly firm Insurance sector.

Small selective support was seen for leading Breweries. **Scottish and Newcastle** added 1½ to 59p, while **Greenall Whitley** put on a similar amount to a 1979-80 high of 180p. **Bass**, 222p, and **Whitbread**, 143p, rose 3 and 4 respectively. Regional issues also made a firmer showing; **Matthew Clark** closed a couple of pence to the good at 144p in response to the better-than-expected interim profits and dividend, while Isle of Man concern **Castletown** improved 10 to 405p following the annual report.

Buildings made a quietly firm showing. Leading issues to edge *higher included **Blue Circle**, 2* better at 310p, and **Redland** a similar amount up at 167p, while **Tarmac** regained 4 to 288p. Further demand lifted **Hamilborne** 8 to 73p, while favourable Press mention stimulated demand for **May and Hassell** which improved 5 to 93p. **Ward Holdings**, however, closed a shade lower at 66p after the chairman's annual statement.

Inclined easier at the start, **ICI** improved to 392p before settling without alteration at 390p. Comment on the preliminary results helped **Rentokil** improve 3 to 123p, but **Leigh Interests** gave up 4 to 129p following the proposed issue of convertible loan stock and the dividend and profits forecast.

Elys (Wimbledon) up

Elys (Wimbledon) became a firm feature in Stores, rising 10 to 142p in response to buying on asset value considerations. Renewed speculative support on revived bid hopes prompted an improvement of 3 to 56p in **Peters**, while **Debenhams** gained *a similar amount to 88p, also on* takeover speculation.

Preliminary results below market expectations prompted fresh weakness in **Kode International** which closed 21 down at 205p for a two-day loss of 35p. **Fidelity Radio** also became a weak feature in the Electrical sector, falling 9 to 65p on the proposed redundancies and decision to put the rest of the workforce on a three-day week. **Louis Newmark** came on offer at 342p, down 8, while recent speculation faded in **Muirhead** which eased 3 to 193p. On the other hand, **STC** were firm at 270p, up 5, along with **Dubilier**, 1½ dearer at 41½p. Among the leaders, **Racal** ended a penny lower at 222p, after 229p, following the profits forecast contained in the formal offer document for Decca. **GEC** took a marked turn for the better and improved 7 to 378p.

Engineering leaders were inclined harder in extremely quiet trading. **GKN** edged up 2 to 265p and **John Brown** a penny to 54p. **Vickers**, unaltered at 133p, were not helped by the £3.15m nationalisation compensation payment. Among the *occasional movements in secondary issues*, **Staveley** found support and improved 6 to 182p, while **Amalgamated Power** revived with a rise of 5 to 89p. Modest improvements, around 2 or 3, were recorded in **Anderson Strathclyde**, 64p, **Blackwood Hodge**, 45p, and **Hill and Smith**, 58p. In contrast, **United Engineering** met sporadic selling and gave up 5 to 113p along with *Braithwaite, 3 cheaper at 80p.*

Fresh speculative support was seen for **William Morrison**, 5 up at 155p, and for **Hillards**, 6 better at 162p. Elsewhere among firmer Foods, **British Sugar** added 3 more to 159p, while **Brooke Bond** firmed a penny to 52p. **Needlers**, annual results today, hardened a shade to 45p. **Associated Dairies** improved 4 to 180p.

Trusthouse Forte became a good market on reflection of the annual report and the close was 7 higher at 174p. **Grand Metropolitan**, annual meeting today, added 6 to 138p, while **Ladbroke**, at 146p, recovered half of the previous day's fall of 8.

Unilever rally

The absence of fresh selling and the occasional buying order helped the miscellaneous industrial leaders stage a modest rally after the previous day's sharp setback. Following a re-appraisal of the preliminary results, **Unilever** featured with a recovery of 13 to 447p. **Metal Box** rose 12 to 266p, and **Glaxo** 4 to 250p, after 252p. Still reflecting news that a private *consortium is challenging the* British Rail/French Rail proposal for a £650m tunnel, **Channel Tunnel** found renewed support and closed 12 up for a two-day rise of 20 at 137p, while **AAH** rose 9 to a 1979/80 peak of 137p in response to the sharply increased **interim** dividend and profits. Down 5 the previous day following the Rhodesian election result, **Stocklake** held *steady at the overnight level of* 77p ahead of today's interim results. **Negretti and Zambra** gained 3½ to 58p as did **Rockware**, to 97p. **Lesney** came on offer and slipped to 21p before closing a net 2 down on balance at 23p, while **Triefus** fell 4 to 66p and **Fotos** relinquished 3 to 62p.

Among Leisure issues, **Hamburger Brooks** were marked 8 higher at 71p following the sharply improved first-half profits. **Campari**, on the other hand, continued to be unsettled by the recent disappointing interim results, and lost 3 more to 72p.

Garages again displayed an irregular appearance. **Appleyard** eased 2 to 78p, as did **Caffyns** at 190p. **Western** fell 5 more to 105p. **Lex Service**, on the other hand, rose a couple of pence to *91p following Press comment,* while similar gains were recorded in **Kennings**, 65½p and **Henlys**, 96p. **Pennine** firmed a fraction to 8½p. **Zenith** gained 2 to 81p; the price in yesterday's issue was incorrect.

Properties regained some composure after the previous day's setback on fears of yet higher interest rates. **Haslemere** picked up 4 to 304p and **Daejan** 3 to 135p. **Scottish Metropolitan** put on 2 to 125p: the interim results are due on March 28.

Oils recover

Oil shares took a distinct turn for the better yesterday. The absence of further profit-taking saw the majority of quotations improve from the opening and, with fresh buying interest stimulated towards the close when details of a new North Sea gas find were announced, the market ended on an extremely firm note. **Viking Oil** closed ½ higher at £10, while **FC Gas** were also prominent with a gain of 34 to 778p. **Cambridge** gained 20 to 305p and **Ultramar** 12 to 524p, while rises of around 10 were marked against **Cluff**, 355p, and **Clyde**, 334p. **Burmah**, up 7 at 231p, were additionally helped by the £60m loan agreement. Leading issues also made headway, with **Shell** rallying 12 to 410p in front of today's annual results. **British Petroleum** firmed 10 to 400p.

A buoyant market of late following a bid approach, **Stanhope** encountered profit-taking and *relinquished 5 to 210p as the* market awaited further developments. Elsewhere in Trusts and Financials, **New Throgmorton Capital** gave up 6 to 160p, while **Rothschild** receded 3 to 322p as did **Winterbottom**, to 220p.

Among irregular Shippings, **James Fisher** met revived buying and closed 7 to the good at 295p, while **Furness Withy** hardened a penny to 388p; it was revealed yesterday that Mr. Frank Narby has been acquiring further shares in the latter through his two Bermudan companies—Helix and Dolphin. **Hunting Gibson**, however, dipped 8 to 325p and **Common Bros.** gave up 5 more to 300p.

Fresh investment incentive following the Singapore budget lifted recently subdued Plantations. **Highlands** featured with a rise of 8 at 120p, while **London Sumatra** added 10 to 417p. **Castlefield**, 505p, and **Kuala Lumpur Kepong**, 95p, both rose around 5, while renewed takeover speculation helped **Guthrie** close 30 higher at 785p.

Golds lower

Gold shares closed lower for the third successive day. Activity remained at minimal levels with prices tending to drift lower before recovering marginally in the after-hours trading ahead of the International Monetary Fund gold auction.

The Gold Mines index gave up 2.2 more to 364.7, while the bullion price put on $9 to 646.5 an ounce.

Among the heavyweights, falls ranged to ¾ as in **Vaal Reefs**, [illegible], while **West Driefontein** [illegible]ed ½ **to £35¾** and **Western Holdings** ⅜ to £30. An exception to the general rule was **Kloof** which closed ¼ firmer at a 1979-80 high of £15¾ following good Johannesburg support.

Financials were featured by **Gold Fields**, which advanced to [illegible] immediately following the better-than-expected half-year results and dividend prior to closing a net 10 up at 528p. Other London-registered Financials were generally a fraction harder with **Rio Tinto-Zinc** 3 to the good at 435p, after 437p.

South African Financials were mixed. Johannesburg buying lifted **General Mining** ⅜ to a 1979-80 high of £10 while London support pushed **UC Investments** 20 better to a high of 590p and **Union Corporation** 10 firmer at 735p. **Amgold** gained ½ to £39 in front of the annual results which are expected tomorrow.

Rhodesians staged a minor rally on further consideration of the election result. **Coronation Syndicate** recovered 5 to 385p and **Mangula** a like amount to 120p.

A sharp setback in overnight Melbourne and Sydney markets had a depressing effect on Australians. The Rundle oil-shale partners fell following remarks by the Australian Minister for National Development and Energy that there are unknown difficulties in the extraction of shale oil. **Central Pacific** dropped a point to £22½, after £22, and **Southern Pacific** 38 to 825p.

Elsewhere, **Canadian Lencourt** surged further ahead on heavy Canadian and Irish buying to register a gain of 33 to 100p; last Friday the shares were changing hands around 30p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	330	—	—	94	—	104	10	400p
BP	360	—	—	72	—	82	4	"
BP	390	—	—	52	—	66	8	"
BP	400	24	11	—	—	—	—	"
BP	420	—	—	40	9	52	—	"
BP	440	12	5	—	—	—	—	"
Com. Union	160	1½	10	5	—	10	—	158p
Cons. Gold	460	70	60	98	5	122	—	529p
Cons. Gold	500	40	23	72	1	94	—	"
Cons. Gold	550	17	33	42	—	62	1	"
Courtaulds	70	6	1	9½	—	11	—	71p
Courtaulds	80	2	—	5	—	7	15	"
Courtaulds	90	1	15	2	10	—	—	"
GEC	330	58	8	76	—	86	5	378p
GEC	360	34	10	53	15	66	—	"
GEC	390	16	14	35	—	49	—	"
GEC	420	6	20	—	—	—	—	"
Grand Met.	120	19	10	26	—	—	—	137p
Grand Met.	140	6½	21	11½	—	16½	—	"
ICI	300	92	1	—	—	—	—	391p
ICI	360	32	10	54	—	65	—	"
ICI	390	14½	16	33	—	48	—	"
Land Secs.	300	16	5	27	—	40	3	298p
Marks & Sp.	90	9	6	12	—	16	—	94p
Marks & Sp.	100	3½	—	7½	5	12	—	"
Marks & Sp.	110	2	—	4	1	—	—	"
Shell	360	50	11	72	5	84	—	409p
Shell	390	28	39	47	25	64	1	"
Shell	420	15	21	29	1	41	—	"
Totals			350		77		47	
		May		August		November		
Boots	200	11	5	17	—	24	—	194p
Imperial Gp.	70	9	6	11½	—	—	—	76p
Imperial Gp.	80	3½	2	5½	—	8	—	"
Racal Elec.	200	36	14	45	—	53	—	228p
Racal Elec.	220	22	67	31	—	41	—	"
Racal Elec.	240	10½	2	20	10	—	—	"
RTZ	420	45	—	13	1	85	—	436p
RTZ	460	26	4	50	1	58	—	"
Total			100		12		—	

FINANCIAL TIMES STOCK INDICES

—	Mar. 5	Mar. 4	Mar. 3	Feb. 29	Feb. 28	Feb. 27	A year ago
Government Secs.	64.31	63.96	64.80	64.95	65.34	65.51	71.60
Fixed Interest	64.86	64.80	65.26	65.98	66.07	66.09	72.01
Industrial	460.4	456.1	463.6	467.1	469.1	460.4	495.9
Gold Mines	364.7	366.9	375.4	377.9	372.0	361.0	160.0
Ord. Div. Yield	7.31	7.37	7.25	7.21	7.07	7.19	5.66
Earnings, Yld. % (full)	17.68	17.83	17.56	17.42	17.39	17.88	14.69
P/E Ratio (net) (*)	6.93	6.87	6.96	7.03	7.05	6.93	8.86
Total bargains	20,274	22,820	22,073	20,085	21,089	18,986	—
Equity turnover £m	—	100.68	88.99	114.63	121.13	164.66	156.22
Equity bargains total	—	17,386	15,975	16,307	16,477	16,089	27,872

10 am 455.6. 11 am 458.3. Noon 459.7. 1 pm 460.2. 2 pm 460.3. 3 pm 460.2.

Latest Index 01-246 8026.

* Nil=6.67.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.50 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 5	Mar. 4
—Daily		
Gilt Edged	155.1	157.8
Industrials	124.5	131.9
Speculative	63.1	68.1
Totals	90.2	100.4
5-d'y A'vr'ge		
Gilt Edged	139.2	130.8
Industrials	121.9	121.4
Speculative	58.8	56.5
Totals	89.2	87.9

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (25)

CANADIANS (1)
Gulf Oil of Canada

BEERS (1)
Greenall Whitley

BUILDINGS (1)
Aberthaw Cement

CHEMICALS (1)
Rentokil

ELECTRICALS (2)
Dubilier — Standard Tel. Cables

ENGINEERING (1)
British Steam

FOODS (1)
Barr (A. G.)

INDUSTRIALS (4)
A.A.H. — Dover Corp.
Ashley Inds. — Jourdan (T.)

INSURANCE (1)
Sun Life

PAPER (1)
Watmoughs

SHIPPING (1)
Fisher (J.)

TRUSTS (2)
Kellock — Kellock Conv. Ln.

OIL & GAS (1)
Shell Transport

MINES (7)
Kloof Gold — Hampton Areas
General Mining — Amalg'd Tin Nigeria
U.C. Inv. — Malay. Dredging
Union Corporation

NEW LOWS (19)

AMERICANS (2)
Mfrs. Hanover — Norton Simon

STORES (2)
Casket (S.) — Cope Sportswear

ELECTRICALS (2)
Chloride — Laurence Scott

ENGINEERING (1)
Wombwell Foundry

INDUSTRIALS (4)
Baxter Travenol — Solicitors' Law
Lesney Products — Talbex

LEISURE (3)
Black & Edgington — Campari
Boosey & Hawkes

SHOES (1)
Garnar Scotblair

TEXTILES (2)
Carrington Viyella — Hicking Pentecost

TRUSTS (2)
Crescent Japan — Jardine Japan

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	82	1	7
Corpns., Dom. and Foreign Bonds	24	9	33
Industrials	251	236	911
Financial and Prop.	88	132	275
Oils	24	9	10
Plantations	16	1	11
Mines	45	53	52
Others	31	64	69
Totals	561	505	1,368

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Wed., Mar. 5, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Mar. 4 Index No.	Mon., Mar. 3 Index No.	Fri., Feb. 29 Index No.	Thurs., Feb. 28 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	245.34	+0.5	17.87	6.40	7.06	244.01	247.47	248.75	247.78	246.38
2	Building Materials (27)	239.60	+0.4	16.53	6.55	7.72	238.71	242.68	242.90	243.26	219.78
3	Contracting, Construction (29)	372.07	−0.2	25.48	6.54	4.87	372.66	375.56	377.28	374.57	367.98
4	Electricals (15)	632.07	+1.4	12.77	3.93	10.44	623.05	633.91	637.27	632.87	595.39
5	Engineering Contractors (11)	293.05	—	25.27	8.73	5.04	293.18	297.96	298.58	294.92	377.79
6	Mechanical Engineering (74)	167.26	+0.1	20.54	7.80	6.04	167.13	169.27	170.81	171.38	188.25
8	Metals and Metal Forming (16)	169.14	+0.1	20.58	9.15	5.78	168.98	170.43	171.28	168.62	166.93
11	CONSUMER GOODS (DURABLE) (50)	223.10	+0.1	15.99	5.48	7.69	222.93	226.35	226.32	225.66	223.84
12	Lt. Electronics, Radio, TV (15)	316.80	—	12.14	4.07	10.57	316.93	322.21	322.08	320.19	296.75
13	Household Goods (14)	110.04	—	27.62	9.97	4.28	110.05	111.21	112.31	112.24	160.06
14	Motors and Distributors (21)	111.15	+0.4	23.98	8.39	4.90	110.78	112.10	111.93	112.46	121.03
21	CONSUMER GOODS (NON-DURABLE) (173)	223.33	+1.0	18.13	6.85	6.80	221.11	224.22	225.11	225.12	231.14
22	Breweries (14)	268.87	+1.6	16.44	6.53	7.14	264.66	270.16	272.87	271.76	245.78
23	Wines and Spirits (5)	305.53	+1.4	17.76	6.06	6.95	301.38	303.71	304.69	304.29	326.72
24	Entertainment, Catering (17)	312.63	+3.2	17.72	6.72	7.05	302.90	308.64	308.27	307.55	307.78
25	Food Manufacturing (19)	200.18	+1.3	20.39	7.43	6.06	197.59	199.41	201.30	202.10	216.45
26	Food Retailing (15)	306.66	+1.1	13.54	4.89	8.82	303.23	306.69	306.96	309.43	265.65
32	Newspapers, Publishing (13)	436.51	+0.1	23.12	6.88	5.90	435.87	441.92	444.11	444.77	406.80
33	Packaging and Paper (15)	131.39	+0.8	22.67	8.66	5.68	130.40	131.83	132.63	132.69	145.76
34	Stores (43)	224.95	+0.4	13.67	5.06	9.45	224.11	226.87	227.12	226.56	218.94
35	Textiles (24)	130.00	+0.1	27.87	11.80	4.53	129.93	130.98	132.24	131.96	178.11
36	Tobaccos (3)	202.38	+0.2	28.77	11.62	3.94	201.89	207.13	207.23	207.81	267.30
37	Toys and Games (5)	35.02	−2.0	42.94	14.49	2.87	35.73	37.30	37.70	38.55	93.58
41	OTHER GROUPS (97)	209.73	+0.4	15.15	6.88	7.99	208.97	212.69	213.21	212.89	210.79
42	Chemicals (17)	307.68	+0.2	15.93	7.73	7.26	307.12	312.38	313.74	315.59	303.09
43	Pharmaceutical Products (7)	214.14	+0.8	11.89	5.97	10.26	212.51	216.02	216.54	215.25	262.17
44	Office Equipment (6)	121.27	+0.7	17.43	6.74	6.67	120.44	122.65	123.06	122.34	138.90
45	Shipping (10)	480.45	−0.2	11.02	6.72	11.58	481.56	489.47	490.24	487.76	419.99
46	Miscellaneous (57)	247.10	+0.4	16.33	6.55	7.76	246.12	250.85	251.00	249.75	227.46
49	INDUSTRIAL GROUP (492)	232.77	+0.7	17.19	6.64	7.19	231.24	234.73	235.58	235.21	236.79
51	Oils (8)	840.16	+2.8	13.37	5.69	8.08	817.36	834.75	830.82	821.81	593.12
59	500 SHARE INDEX	280.53	+1.1	16.33	6.43	7.37	277.39	281.96	282.45	281.43	266.01
61	FINANCIAL GROUP (117)	196.79	+0.4	—	5.82	—	195.93	199.37	200.28	200.17	189.51
62	Banks (6)	222.28	+0.7	39.14	6.40	3.14	220.79	224.00	226.60	228.69	227.78
63	Discount Houses (10)	214.49	−0.9	—	9.31	—	216.34	215.98	215.86	213.44	240.12
64	Hire Purchase (5)	186.73	+0.8	17.59	5.32	7.38	185.16	188.41	188.61	189.10	178.54
65	Insurance (Life) (10)	174.39	+0.3	—	6.03	—	173.78	175.42	176.26	177.53	141.14
66	Insurance (Composite) (9)	127.43	+0.8	—	7.71	—	126.45	128.04	128.61	129.08	133.83
67	Insurance Brokers (10)	287.17	+1.4	17.17	6.83	8.37	283.19	287.11	291.84	292.75	320.41
68	Merchant Banks (14)	104.10	−0.8	—	5.81	—	104.99	105.44	105.71	104.74	84.54
69	Property (44)	368.91	—	3.63	2.99	39.47	368.87	380.83	379.40	373.60	326.00
70	Miscellaneous (9)	130.89	+0.3	15.87	6.99	8.27	130.52	132.76	132.73	131.82	119.09
71	Investment Trusts (109)	221.66	−0.4	—	5.86	—	222.47	226.68	227.63	226.22	219.30
81	Mining Finance (4)	216.35	+1.0	18.65	4.89	11.40	214.18	218.95	219.65	219.46	123.24
91	Overseas Traders (20)	415.95	+0.5	12.19	6.47	10.05	413.99	421.99	418.95	417.66	351.56
99	ALL-SHARE INDEX (750)	261.19	+0.9	—	6.22	—	258.82	263.23	263.81	262.98	245.21

FIXED INTEREST PRICE INDICES

	British Government	Wed., Mar. 5	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	99.83	+0.51	—	2.30
2	5-15 years	102.68	+0.78	—	2.09
3	Over 15 years	106.85	+0.82	—	2.11
4	Irredeemables	128.26	+0.06	—	1.78
5	All stocks	102.83	+0.68	—	2.13

FIXED INTEREST YIELDS

	British Govt. Av. Gross Red.		Wed., Mar. 5	Tues., Mar. 4	Year ago (approx.)
1	Low Coupons	5 years	13.19	13.32	9.13
2		15 years	13.03	13.12	10.86
3		25 years	12.21	12.32	11.45
4	Medium Coupons	5 years	15.36	15.37	11.51
5		15 years	14.60	14.71	12.22
6		25 years	14.37	14.50	12.37
7	High Coupons	5 years	15.21	15.44	11.92
8		15 years	14.93	15.06	12.71
9		25 years	14.79	14.92	12.80
10	Irredeemables		12.26	12.26	11.09

		Wed., March 5 Index No.	Yield %	Tues. March 4	Mon. Mar. 3	Fri. Feb. 29	Thurs. Feb. 28	Wed. Feb. 27	Tues. Feb. 26	Mon. Feb. 25	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	50.19	14.72	50.26	50.29	50.53	50.68	50.84	50.63	50.77	54.21
16	Investment Trust Prefs. (15)	47.55	13.94	47.55	48.15	48.15	47.89	47.89	48.09	48.09	49.69
17	Coml. and Indl. Prefs. (20)	61.16	14.62	61.41	61.58	61.44	61.60	61.53	61.65	61.65	69.93

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
BP	25p	10	400	+10	414	220½
Burmah Oil	£1	10	231	+ 7	249	82
GEC	25p	10	378	+ 7	456	311
Cons. Gold Fields	25p	8	528	+10	617	178
Racal Electronics	25p	8	222	− 1	276	168½
Furness Withy	£1	7	388	+ 1	400	218
ICI	£1	7	390	—	415	314
Morrison (Wm.)	10p	7	155	+ 5	189	91
Premier Cons.	5p	7	72	+ 3	87	15¼
Shell Transport	25p	7	410	+12	410	278
Meyer (Mont. L.)	25p	6	113	—	120	71
Plessey	50p	6	145	—	151	101
Barclays Bank	£1	5	438	+ 6	514	380
British Sugar	50p	5	159	+ 3	184	126
Carr'gton Viyella	25p	5	14	− 1	36½	14

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 3	Mar. 14	Jun. 12	Jun. 23
Mar. 17	Mar. 28	Jun. 26	Jul. 7
Mar. 31	Apr. 11	Jul. 10	Jul. 21

For rate indications see end of Share Information Service

Calls were dealt in Unilever, Jamaica Sugar, Oxley Printing, Britannia Arrow, Lonrho, Turner and Newall, Burmah, Status Discount, Barker and Dobson, Charterhall, Kitchen Queen, Candecca, English China Clays, Elsburg, CRA, Rustenburg, Blyvoor, Bracken, Town and City, Hongkong and Shanghai Banking and UDT. Puts were arranged in Glaxo, Grand Met., Beecham, Dunlop, Durban Deep and Shell, while doubles were completed in Woodside and Burmah.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+or−	Div.	Times Covered	Gross Yield	P/E Ratio
50	F.P.	—	140	115	Berkley Exploration	135	+5	[illegible]	[illegible]	[illegible]	[illegible]
£1	F.P.	7/3	108	98½	Child Health Res'ch Inv.	101	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
$80	F.P.	7/3	110	105	Emess Lighting	108	[illegible]	b6.0	3.0	7.9	4.9
10	F.P.	[illegible]	11½	10	Keep Inv. Trust 5p	11¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
**	F.P.	[illegible]	89	72	Lon.Merc'tSecs.Defd	84	+2	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	—	54	29	Roche Plant 10p	54	[illegible]	1.25	2.7	3.3	7.9
44	F.P.	—	59	57	Webber Electro 12½p	57	[illegible]	b3.5	2.6	6.1	8.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price £	+or−
[illegible]	F.P.	[illegible]	37p	36p	Aurora 5.85% Cum. Pref.	36½p	[illegible]
[illegible]	F.P.	[illegible]	98p	98p	Clifford (Chas.) 13% Cum. Pref.	98p	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Felixstowe Dock 9½% Cum Red Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	111	108	Globe Inv Tst 11¾% Conv Uns Ln 90/95	111	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hewitt (J.) 10% Cum. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Mid Kent Water 9% Red. Pref. 1985	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rk'm'nw'h & Uxbridge Wtr. 9% RdPf 1985	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+or−
[illegible]	Nil	[illegible]	35pm	27pm	AGB Research	31pm	[illegible]
[illegible]	Nil	[illegible]	[illegible]	70pm	Bank of Montreal	[illegible]	[illegible]
[illegible]	Nil	[illegible]	61pm	26pm	Cliff Oil	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Edwards (Louis C.)	[illegible]	[illegible]
[illegible]	Nil	[illegible]	101pm	69pm	Elson & Robbins	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Hammerson Prop. A	[illegible]	[illegible]
[illegible]	Nil	[illegible]	435pm	180pm	Pancontinental	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	50	27	Paringa	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Premier Cons. Oilfields	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Transvaal and London Coal Units	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines FT	+36.60	Industrial Group	+11.33
Mining Finance	+32.25	Insurance (Life)	+11.13
Overseas Traders	+24.54	Entertainment and Catering	+10.77
Electronics, Radio and TV	+23.74	Chemicals	+10.59
Contracting and Construction	+20.44	Pharmaceutical Products	+ 9.52
Oils	+17.37	Consumer Goods (Non-durable) Group	+ 8.53
Stores	+17.23	Financial Group	+ 7.44
Consumer Goods (Durable) Group	+17.09	Motors and Distributors	+ 6.83
Merchant Banks	+16.98	Insurance Brokers	+ 5.85
Metal and Metal Forming	+16.62	Breweries	+ 4.67
Property	+16.46	Insurance (Composite)	+ 3.93
Office Equipment	+16.06	Food Manufacturing	+ 3.90
Investment Trusts	+15.57	Textiles	+ 3.47
Building Materials	+14.76	Food Retailing	+ 3.11
Capital Goods Group	+14.33	Wines and Spirits	+ 2.81
Shipping	+13.56	Engineering Contractors	+ 1.91
Newspapers and Publishing	+13.45	Tobaccos	+ 1.47
Electricals	+13.35	Banks	+ 0.21
Packaging and Paper	+13.15	Discount Houses	− 1.35
All-Share Index	+12.63	Household Goods	− 5.46
500 Share Index	+12.62	Toys and Games	−24.92
Hire Purchase	+12.00		
Other Groups	+11.64		
Mechanical Engineering	+11.58		

† Percentage changes based on Tuesday, March 4, Indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Lloyds Tst. O'seas [illegible] 57.0 60.6 1.80
Next dealing February 28.

[illegible]

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. US$9.63 9.84
Prices on Feb. 25. Next dealing March 5.

Royal Trust (C.I.) Fd. Mgt. Ltd.
P.O. Box 194, Royal Tst. Hse., Jersey. 0534 27441
R.T. Int'l. Fd. US$11.28 12.00 2.14
R.T. Int'l. (Jsy.) Fd. 85.0 91.0 3.41
Prices March 4. Next dealing March 11.

Save & Prosper International
[illegible]

Schlesinger International Mngt. Ltd.
41 La Motte St., St. Helier, Jersey
[illegible]

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733
[illegible]

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2. 01-588 4000
[illegible]

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5, Bermuda.
[illegible]

Singer & Friedlander Ldn. Agents.
20, Cannon St., EC4. 01-248 9646
[illegible]

Stronghold Management Limited
[illegible]

Surinvest (Jersey) Ltd.
[illegible]

TSB Trust Managers (C.I.) Ltd.
[illegible]

TSB Unit Trust Managers (C.I.) Ltd.
[illegible]

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (C.I.). 0534 73494
TSB Gilt Fund 89.0 92.0 13.00
TSB Gilt Fd. (Jsy.) 89.0 92.0 13.00
Prices on March 5. Next sub. day March 12.

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao.
NAV per share Feb. 25 US$72.35

Tokyo Pacific Hldgs. (Seaboard) N.V.
Intimis Management Co. N.V., Curacao.
NAV per share Feb. 25 US$52.71

Tyndall Group
P.O. Box 1256 Hamilton 5, Bermuda.
[illegible]

Unilife Assurance (Overseas) Ltd.
P.O. Box 1388, Hamilton 5-31, Bermuda
[illegible]

Union-Investment-Gesellschaft mbH
Postfach 16767, D 6000 Frankfurt 16.
[illegible]

Utd. Intnl. Mngmnt. (C.I.) Ltd.
14, Mulcaster Street, St. Helier, Jersey
U.I.B. Fund [illegible]

van Cutsem & Associates Ltd.
[illegible]

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2.
[illegible]

Warburg Invest. Mngt. Jrsy. Ltd.
[illegible]

Wardley Investment Services Ltd.
[illegible]

World Wide Growth Management
[illegible]

Wren Commodity Trust
[illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	48.5	52.4	-0.9	1.95
Abbey Capital	52.8	57.7	+0.4	5.56
Abbey General	48.0	51.3	+0.4	5.77
Abbey Gilt & F.I. Tst.	98.3	104.6	+0.1	4.78
Abbey Income	42.0	45.5	-0.7	8.47
Abbey Intl. Bd. Tst.	92.4	96.8	+0.1	5.68
Abbey Inv. Tst. Fnd.	37.7	40.2	-0.5	5.81
Equitas Prog. Trust	70.8	76.8	+0.4	5.67

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485
Disc. Inc. Feb. 22 | 213.0 | 227.2 | 5.24

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893
Great Winchester | 17.7 | 19.6 | 7.07
Gt. Winchester O'seas | 20.8 | 23.1 | 4.78

Emson & Dudley Tst. Mngmt. Ltd.
28b Albemarle St., W1. 01-493 3211
Emson Dudley Tst. | 76.4 | 82.2 | 6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377
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Continued on previous page

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

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INDUSTRIALS—Continued

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
78	48	Hay (Norman) 10p	54	......	3.7	1.8	9.8	8.2
*176	98	Hay's Wharf £1	168	......	F7.21	3.1	6.1	(6.6)
65	27	Heather 'A' 10p	61	+1	2.5	3.5	5.9	7.0
132	72½	Hepworth Cmc.	104½	−½	14.9	3.6	6.7	7.2
76	25	Hestair	27	......	‡3.5	—	‡	—
50	18	Hewitt (J.) 5p	49	......	1.28	.63	3.7	5.4
72	40	Highgate & Job 50p	42	......	—	—	—	—
100	58	Hill (Chas.) £1	63	+1	d2.0	—	4.5	—
*49½	28	Hirst Mal'son 20p	29xd	+1	2.6	ф	12.8	ф
97	74	Holden (A.)	78½	+1	†4.0	3.4	7.3	5.5
75	43	Hollis Bros	47	......	†5.12	1.8	15.6	4.5
256	148	Holt Lloyd Int. 10p	244	......	H9.0	2.3	5.3	13.4
222	107	Hoover 'A'	135	......	12.0	ф	13.3	ф
163	93	Hopkins & H 20p	95	......	10.39	1.4	15.6	5.9
83	25½	Howard Tenens	80#	......	†ф1.9	—	3.4	—
375	142	Hunting Assoc.	370	−5	22.5	11.4	1.0	10.5
90	48	Huntleigh 10p	85	−3	†0.76	6.5	1.3	15.4
90½	40	Hutch Whamp SHK2	76	−2	Q23c	2.5	2.8	14.1
33	22	Hyman (I. & J.) 5p	22	......	†d0.96	3.6	6.2	6.4
£20¼	£10¼	I.C. Industries‖	£10¾	+¼	Q$1.84	—	7.7	—
143	99½	ICL	138	+2	b2.97	6.9	3.1	5.1
34	25	Ingall Inds. 10p	28	......	2.06	1.7	10.5	8.1
146	88½	Initial Services	130	−1	†5.5	2.5	6.0	7.7
31	10	Inter-City 20p	15	+½	1.17	4.0	11.1	2.6
68	45½	J. B. Holdings 10p	56	......	†1.47	7.2	3.6	5.7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE—Continued

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPER, PRINTING ADVERTISING

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	NAV
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS—Cont.

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	NAV
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc.

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCE, LAND—Continued

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL & GAS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RUBBERS AND SISALS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEAS

India and Bangladesh

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sri Lanka

400	230	Lunuva £1	370	+2	†10.0	1.1	3.9

Africa

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
165	[illegible]	Blantyre	[illegible]	[illegible]	6.0	1.6	9.5
155	[illegible]	Ruo Estates	[illegible]	[illegible]	4.5	ф	8.2

MINES

CENTRAL RAND

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EASTERN RAND

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FAR WEST RAND

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FINANCE

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIAMOND AND PLATINUM

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	385	+5	Q54c	2.2	8.0
680	152	Falcon Rh.50c	620	......	Q200c	2.7	11.1
48	11	Rhod'n Corp. 16⅔p	35	+1	0.56	6.5	2.3
267	70	Roan Cons. K4	227xd	+5	†Q0.12	ф	3.4
67	26	Wankie Col. Rh.1	55	+1	Q9c	1.5	11.3
57	9	Zam.Cpr.SBD0.24	43	−4	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TINS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPPER

235	56	Messina R0.50	215	−3	Q10c	ф	2.7

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
160	78½	Anglo-Dominion	150	+4	—	—	—
97	54	Barymin	94	......	—	—	—
14½	10	Burma Mines 17½p	14	......	—	—	—
502	170	Cons. Murch. 10c.	480	+5	Q100c	ф	11.9
585	280	Northgate C$1	480	......	—	—	—
492	226	R.T.Z.	435	+3	†11.5	3.4	3.8
31	12	Robert Mines	29	......	—	—	—
65	26	Sabina Inds. C$1	47	−2	—	—	—
880	470	Tara Exptn. $1	615	−15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ф Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✤ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	28	......			
Bertam	18	......			
Bdg'wtr. Est. 50p	380	......	Conv. 9% '80/82	£96½	−⅛
Clover Croft	60	......	Nat. 9¾% 84/89	£69⅝	−⅛
Craig & Rose £1	£10½	−¼	Fin. 13% 97/02	£77xd	−⅛
Dyson (R. A.) A	14	......	Alliance Gas	60	......
Fife Forge	35	......	Arnott	400	+15
Finlay Pkg. 5p	22	......	Carroll (P.J.)	50½	−½
Graig Ship. £1	£12½	......	Clondalkin	104	......
Higsons Brew	80	......	Concrete Prods.	91	......
Holt (Jos) 25p	255	......	Heiton (Hldgs.)	34xd	......
I.O.M. Stm. £1	153	−2	Ins. Corp.	235	+10
Pearce (C. H.)	400	......	Irish Ropes	55	......
Peel Mills	57	......	Jacob	38½	......
Sheff. Refrshmt.	97½	......	T.M.G.	145	+3
Sindall (Wm.)	165	......	Unidare	103xd	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	32	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	15	Brit. Land	7
Beecham	13	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lofs"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr.	9	Brit. Petroleum	38
Courtaulds	8	Midland Bank	30	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	12
Distillers	21	Nat. West. Bank	32	KCA	11
Dunlop	5½	P & O Dfd.	9	Premier	12
Eagle Star	14	Plessey	16	Shell	35
F.N.F.C.	2½	Racal Elect.	20	Tricentrol	35
Gen. Accident	21	R.H.M.	4½	Ultramar	50
Gen. Electric	30	Rank Org.	18	**Mines**	
Glaxo	40	Reed Intnl.	17	Charter Cons.	18
Grand Met.	12	Sears	5½	Cons. Gold	52
G.U.S. 'A'	30	Tesco	7	Lonrho	12
Guardian	23	Thorn	25	Rio T. Zinc	35
G.K.N.	22	Trust Houses	14		
Hawker Sidd.	16	Tube Invest.	27		
House of Fraser	12	Unilever	40		
		U.D.T.	4		

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES

Thursday March 6 1980

Prior hints that clash might make him resign

By Richard Evans, Lobby Editor

MR. JAMES PRIOR, the Employment Secretary, seemed to suggest yesterday that if pushed too far against his instincts by Cabinet colleagues he would be obliged to resign.

In response to teasing from Mr. Eric Varley, Shadow Employment Secretary, in the Commons on his isolation in Mrs. Margaret Thatcher's Cabinet, Mr. Prior reminded Mr. Varley that he had failed to quit the Wilson Government in a row over Chrysler UK.

"He was overridden by the Cabinet, but he did not resign. And what is more, I can tell him that if I get overridden in the same way I will resign, but it hasn't happened yet," Mr. Prior said.

The incident, during a debate on Government cuts to training programmes, was not being taken too seriously by Mr. Prior's colleagues, but it is accepted at Westminster that if more pressure is put on the Employment Secretary to toughen further his industrial relations legislation he will fight his corner.

The events of the past few weeks, with arguments in the Cabinet on the Employment Bill and picketing, have made Ministers and Conservative MPs particularly sensitive to any suggestion of divisions or resignations.

The belief at Westminster remains that Mr. Prior is in a powerful position in the Cabinet and is well placed to resist *attempts to force through trade* union legislation against his wishes.

Despite Mrs. Thatcher's public chastisement of Mr. Prior in her Panorama interview last week it is not true that he is now on probation, or has been warned not to step out of line again.

The Employment Secretary has extremely powerful allies in the Cabinet who would be unwilling to see the Government weakened by his departure.

● Mr. Arthur Scargill, president of the Yorkshire miners, is to be invited to give evidence to a Commons Select Committee on his attitude to picketing and trade union immunities.

The move is seen at *Westminster as a further attempt* by Tory MPs to put pressure of Mr. Prior to introduce tougher industrial relations legislation.

The supposition is that Mr. Scargill, prime organiser of the effective miners' pickets against Hadfields at Sheffield, will declare his determination to flout the Employment Bill now *before Parliament.*

Labour members of the Employment Select Committee opposed the invitation

Parliament, Page 10

GOVERNMENT URGED TO SPEED ENERGY POLICIES

Oil companies rethink

BY RAY DAFTER, ENERGY EDITOR

SOME NORTH SEA oil companies are reassessing their exploration and development programmes because of delays in new Government energy policies.

Energy Department Ministers and officials have been warned that UK plans for maintaining oil self-sufficiency into the 1990s could be hit unless some offshore policies are soon clarified and North Sea licensing is speeded up.

The warnings come when the Norwegian Federation of Industries is telling its government of the effect of plans to raise tax levels on oil company revenue from the Norwegian sector of the North Sea from about 70 per cent to nearer 80 per cent to 85 per cent. The federations says the plans could jeopardise the development of new Norwegian fields and hit *the country's oil supply* industry.

Esso and Elf have said they might postpone the development of three gas fields. Another major international group is known to be considering switching its exploration rigs from the Norwegian sector to UK waters.

But growing frustration in the UK offshore industry could hit the pace of exploration in the next year or so. Industry representatives have met Mr. David Howell, Energy Secretary, to outline their concerns, including:

● The proposed seventh round of licences. The Government said in October it would issue a new round of exploration blocks but has still to invite bids or outline the detailed conditions.

A further announcement is expected in a few weeks but it could be several months before the awards are made. This will not be soon enough to allow companies to start drilling this summer or autumn—as some originally hoped.

● Depletion policies. Mr. Howell is not expected to announce Government plans for keeping production levels as close as possible to UK oil needs until well into this summer.

Companies say this makes it difficult to plan the development of new fields. Shaving the production peak will extend energy self-sufficiency for only a couple of years. By the late 1980s or early 1990s Britain could find itself importing oil *again.*

Companies have told Mr. Howell the seventh round of licences—70 blocks—is too small and that more blocks should be allocated to enable oil to be found for the 1990s.

● Taxation. Companies have been told that Petroleum Revenue Tax — currently 60 per cent of revenues net of *royalties and capital costs*—might be increased in the Budget.

It is understood that Treasury and Energy Department officials are considering a rise to more than 70 per cent as one of the options of possible revenue-raising measures.

● British National Oil Corporation. The industry is still awaiting details of the restructuring of the State corporation which were expected several months ago.

Time is running short for Mr. Howell to introduce legislation in this session of Parlament. He wants to inject private capital into the corporation's exploration and production arm and keep its oil trading business in State hands.

Companies want clarification of corporation policies relating to participation oil. In particular they want to know whether they will be able to buy back this oil for use in their own refineries.

● Marginal fields. The Government intended to make an early announcement about incentives for the development of small, economically marginal oil fields. But recent price increases have improved prospects for a number of small finds and this matter is receiving less urgent attention.

The industry says uncertainties relating to these and other offshore policies make it difficult to plan.

Mr. Howell told petroleum geologists on Tuesday that exploration had increased under the Conservative Government. He said all available mobile drilling rigs were on charter, and 16 were drilling against 12 a year ago. It was the Government's intention to encourage more exploration.

Dress rehearsal for oil crisis, Page 23

Injunction sought over French ban on lamb

By Margaret Van Hattem in Brussels

THE EEC Commmission is to ask the European Court of Justice for an interim injunction against illegal French curbs on British lamb imports. Its submission will be sent to the court "within the next few days," Commission officials said yesterday.

The 13 Commissioners, who have been resisting heavy pressure from the British Government to apply for the injunction, agreed at their weekly meeting yesterday that they could hold out no longer.

This follows the Commission's abortive attempt at this week's Farm Council meeting in Brussels to end the six-*month-old dispute by offering* France and Britain a total of 30m ECU (£20m) to spend on aid to their sheep farmers. The deal broke down when Britain insisted that the French be prevented from using the money to subsidise intervention buying—a condition unacceptable to France.

The issue now appears *certain to be raised at the EEC* summit later this month.

The Commission has been reluctant to initiate further court action against the French who, officials say, are expected to ignore an injunction just as they have consistently ignored the court's ruling against the curbs last September.

Several member-states share the Commission's irritation with both France and Britain for allowing what they regard as a minor issue to highlight the Community's inability to enforce its own laws.

Both Chancellor Helmut Schmidt, of West Germany, and Mr. Roy Jenkins, the Commission president, have tried privately to persuade France's President Giscard d'Estaing to back down—but to no avail. Meanwhile, diplomats in Brussels complain that Britain is pursuing its rights "with the tenacity of Shylock."

But some observers believe the lamb issue is only a pawn in the wider dispute over Britain's contribution to the EEC budget.

The French are clearly hoping to win concessions on lamb and other issues in return for a deal on the budget.

Commenting on the decision to seek an injunction, Mr. Alick Buchanan-Smith, Minister of State for Agriculture, said yesterday: "I am delighted that the Commission has taken up its responsibilities as guardian of the Treaty of Rome."

Commodities and agriculture, Page 33

THE LEX COLUMN

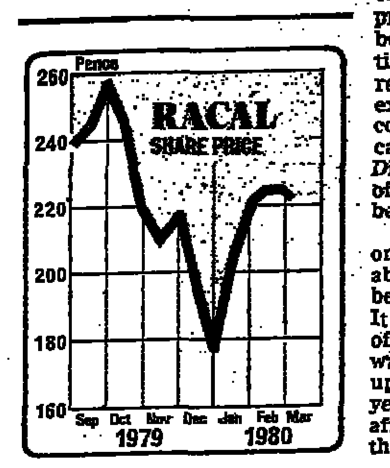
Final hurdles for the Decca deal

With the dispatch of the formal offer document for Decca, Racal has entered what could prove a tense five-week period. A great deal now hangs upon the performance of the Racal share price, which will determine whether significant numbers of Decca shareholders take advantage of the cash alternative to the basic share exchange offer. If nobody asks for the cash terms, the combined Racal-Decca group will begin life with a reasonable balance sheet, despite Decca's present £60m debt burden: the group's indebtedness would be about £100m out of capital employed of roughly £300m. Significant cash elections would change this, however; the total cash at stake is £80m.

So far all is well, Racal's share price dipped just 1p to 222p yesterday on the news that a few more worms have been discovered in the Decca can. Losses for the year to the end of this month will be more like £10m than the £6m originally anticipated. Some of the deterioration *relates to the TV* side which is to be sold. This will still leave Racal to cope with a deeply depressed marine radar business, but the view is still that Decca can be hauled back to break even in 1980-81. Meantime the worsening crisis at Decca will serve, at least, to make the Office of Fair Trading more reluctant to call in the *Monopolies Commission.*

Only if the Racal price dips towards 200p will be risks of large scale cash acceptances become at all high. Even then, many institutions will not wish to reduce their exposure to the electronics sector. But Racal is taking a significant risk in order to achieve a considerable prize.

Index rose 4.3 to 460.4



Cons. Gold Fields

With Anglo-American breathing so strongly down its neck the Board of Consolidated Gold Fields has an incentive to put everything possible into the shop window, and the interim results certainly prove that the group can display an attractive range of goodies. Pre-tax profits are up 58 per cent to £71m, and this *is only after taking in the very* beginning of the gold bonanza, for gold earnings are no more than 47 per cent higher. There has been a solid improvement at Amey Roadstone, together with growth of a quarter or so in the industrial businesses, while non-gold mining is well up and there is a jump in investment profits (due mostly *to the sale of the Bellambi coal* mine).

The big bull point now, of course, is that the gold price has averaged $670 an ounce for the first two months of the second half, against $362 to July-December. So full year profits could easily shoot up to £170m pre-tax against £96.4m, and Gold Fields in unlikely to be stingy about a dividend increase, with the interim more than doubled (though the yield on the past 12 months' combined total is only 4.8 per cent at 528p).

Pilkington/BSN

Despite some opposition from the German Cartel Office, wrecker of the best-laid corporate plans, Pilkington is succeeding in the main aim of its European strategy—the takeover of a majority holding in the German flat glass company Flachglas. But behind Tuesday's rather bland announcement lie important implications for the European glass industry. The seller of Flachglas, BSN-Gervais-Danone, had insisted that Pilkington should take on its Dutch and Belgian subsidiaries as well, but the Cartel Office objected to the German market share that this would have given Pilkington, and a deal for Flachglas alone has been negotiated.

So BSN is stuck with the problem area—Glaverbel in Belgium has lost BFr 5bn over five years, and rationalisation costs are continuing. Pilkington, naturally, has had to make concessions to get hold of Flachglas alone: it is paying BFr 7.5bn (£113m) in cash and shares for the 55 per cent stake, compared with an original price of BFr 7.8bn for the total package. And it has had to drop the restrictive clause under which BSN promised to hold on *to some of its 11m Pilkington* shares these now hang over the London market which has just reluctantly absorbed a 31m share rights issue.

Still, the price Pilkington is paying for Flachglas is not excessive. Some of the £63m premium over book value will be eliminated through a revaluation, and although earnings have recently been depressed by exceptional depreciation of the company's new float glass plants, cash flow was running at *DM 142m in 1978, 20 per cent* of sales, and the ratio has since been maintained.

BSN has put a brave face on things, and announced that, above the line at least, Glaverbel is turning back into profit. It will also get a good deal of cash under its belt and that was enough to take the shares up from FFr 949 to FFr 990 yesterday—*the Bourse* had been afraid that the deal had fallen through altogether.

BSN may be happy to carry on as a third force in European glass for a while, but its real *ambitions lie elsewhere,* in food and drink, and it will probably lok for a purchaser eventually. The trouble is that Saint-Gobain, the obvious alternative to Pilkington, might well run into EEC cartel problems, and any non-French buyer might not be allowed to buy the Boussois glass business in France but BSN would want to throw in with Glaverbel and De Maas. But the Belgian and Dutch businesses could offer a U.S. company a cheaper way into Europe than greenfields investment, and intensify competition in a market dominated by Pilkington and Saint-Gobain.

Docks Board

It is early days, but the Government's plans for introducing private capital into British Transport Docks Board look sensible. The group, which handles over a fifth of UK port traffic, is not particularly profitable: in 1978, a peak year, it returned 16.9 per cent before interest on a historical cost basis and about 5 per cent in real terms. But its record is stable, and it is not a great consumer of funds. The inflation adjusted depreciation charge exceeded capital spending by two-fifths between 1976 and 1978.

At present the Board is financed entirely by debt and retentions, but a capital reconstruction could be quite timely from everyone's point of view. Its commencing capital, which was provided by the Government and carries a coupon of just 3.61 per cent, is repayable between 1981 and 1987 and could be converted into equity *relatively painlessly.* In that case, the equity could have a market value of say, £75m—and offer a double figure income yield.

Bank to be more accountable

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BANK OF ENGLAND is to become more accountable in public for its policies and views, mainly through regular appearances by senior Bank officials before the new all-party Treasury and Civil Service Committee of the Commons.

The move marks an important development in the Bank's emergence in the last few years from its private role. It also reflects the view of Sir Geoffrey Howe, the Chancellor, that monetary policy should be better understood by Parliament and the public.

No legal or institutional changes are proposed. Mr. Gordon Richardson, the Governor, and the Bank will remain directly answerable to the Chancellor.

The Bank's views have previously been made public almost solely through its quarterly bulletin and in occasional speeches by the Governor. Mr. Richardson and his colleagues did appear before the former Select Committee on Nationalised Industries, but questioning was limited to matters arising from the Bank's report and accounts, and excluded policy issues.

The new committee can examine economic policy across the board. It is likely that senior members of the Bank, like Treasury officials, will appear before it to explain the background to policy and Ministerial decisions.

The first opportunity will occur after Easter, when the committee is expected to start *a major inquiry into the operation* of monetary policy. This will follow the publication this month of the Bank and Treasury consultative paper on changes in the present system of monetary control.

The Chancellor has been keen to develop a more independent role for the Bank. Apart from more regular contact with Parliamentary committees, this policy is also reflected in the decision that Mr. Richardson should join the National Economic Development Council.

Sir Geoffrey said two years ago this would give the Bank the further opportunity for establishing the independence of its voice.

He said then: "The important objective is for monetary policy to be conducted according to known and settled rules. So long as monetary policy is conducted, as it has been, on the basis of day-to-day discretion on the part of Government, it is likely not only to be misunderstood but to be set aside *from time to time for short*-term political reasons.

"This is why it would be desirable to work towards a system in which Parliament was able to consider and approve the rules of monetary policy.

"This would greatly strengthen the power of the Bank to resist interference from Government and would fortify the prospect that monetary policy would have the desired long-term effect on inflationary expectations and thus on inflation itself."

Howe seeks views on spending oil revenue

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, yesterday invited the CBI and TUC to put forward their views on how North Sea oil revenue should be used to help industry.

Sir Geoffrey was speaking at a meeting of the National Economic Development Council *which resumed discussion of the* macro-economic policies after its meeting in December.

He said the Government was "open-minded" about redistribution of oil money, and asked that the ideas of the TUC and CBI be discussed at another meeting of the council.

He did not rule out the possibility of new selective aid schemes, although he held out no specific prospect for such a move.

*The TUC wanted such selec*tive assistance, in particular to stimulate investment, research and development by industry during recession. Without stimulating demand in the economy in the Budget, Mr. Len Murray, general secretary said, the Government would get "10 years of the hair shirt."

The TUC found an unusual ally in Sir Jeremy Morse, chairman of Lloyds Bank. He said that without selective assistance, *"we could get protection as the* only alternative policy."

Much of the corporate sector's current borrowing was "stress money"—money companies needed to stay alive. He questioned whether the Government's money supply target of 11 per cent was not too tight with inflation running at 17 per cent.

He was not supported on the target by either the Chancellor or Mr. Gordon Richardson, governor of the Bank of England. Mr. Richardson said the target was not too tight for an economy which was not growing.

EMS

Continued from Page 1

Mr. Gordon Richardson, the Governor of the Bank, has publicly favoured "a greater degree of fixity" in exchange rates.

The key problem is how to get to the desired level and stay there. The difficulty is that the obligation to intervene to keep sterling within narrow margins could result in large inflows or outflows of currency which would conflict with a target for the growth of sterling M3.

This possible incompatibility has entangled the EMS issue with the current debate about the desirability of a medium-term financial plan and about possible changes in the present system of monetary control. Proposals on both issues are to be considered by the Prime Minister and senior ministers within the next few days.

The UK objection to full participation has also been that sterling is inherently more volatile than other EEC currencies because of its status as a petrocurrency and because of the uncertainties following the end of exchange controls.

In addition, it has been argued that there will always be strains between sterling and other EEC currencies because of differences between the UK and the rest of the EEC in patterns of trade and capital flow with the rest of the world.

Docks

Continued from Page 1

up the organisation which includes under its umbrella Southampton, Hull, Cardiff, Swansea, Grimsby and Plymouth ports. It employs 11,600 people.

The board made after-tax profits of £7m in 1978 on turnover of £120m. At the end of 1978 it had capital employed of £177m, reserves of £62.5m and capital liabilities of £105.2m. It has been investing about £10m a year recently and plans to spend over £80m in the five years from 1979-83.

Sir Humphrey said yesterday that he welcomed the Government's assurance that it did not intend to break up the board.

It was established under the 1962 Transport Act and began operations on January 1, 1963 as an independent authority whose members were appointed by the Minister of Transport.

Sir Humphrey is known to have felt cramped by the Government regulations he has had to operate under. In the past he has frequently criticised the way ports such as London and Bristol have been subsidised by the Government or local authorities. He has been a keen advocate of competition between ports.

The board has agreed a target return of a 20 per cent return on capital by 1980. In 1978 it achieved 16.9 per cent and rather less in 1979.

Decca losses could be £10m for year

BY ANDREW FISHER

LOSSES AT Decca, the ailing radar and electronics company about to be absorbed by the fast-growing Racal group, have risen sharply in the past few months and could reach up to £10m for the full financial year to March 31.

But Racal, which successfully beat off the much larger General Electric Company with a bid for Decca worth over £100m, is confident its new acquisition will break even in 1980-81.

News of Decca's escalating losses comes in the formal document for Racal's offer, which closes officially next month. After a pre-tax deficit of £1.9m in the half year to September 30, losses have continued "but at a much higher rate than was expected," the offer document says.

This is mainly because of a slump in sales of small boat radar caused by sterling's strength, tougher Japanese and American competition, and production delays which are now being overcome. ...

Racal, it appears, *orginally* thought Decca would lose no more than £6m in 1979-80, but now feels the figure could be as much as £10m—though no figure is given in the offer document—after a loss of £384,000 in the previous year.

For Racal, however, the prospect outlined in the document is of further record profits for this financial year—also ending on March 31. Yet uncertainties caused by sterling's strength and the timing of large foreign orders mean these are "unlikely to exceed £65m" after £61.6m in *1978-79.*

Racal's activities cover radio and data communications and other electronic products and the group expects a "highly satisfactory" performance next year in its present businesses.

Decca's losses on the record side, just sold to Polygram, could add up to around £4m in the present financial year, with a further £2m loss from the television side, for which Victor Company of Japan (JVC) is the most likely purchaser.

This will leave Racal with at least £2m of losses in the marine radar sector to turn round.

Weather

UK TODAY

MAINLY DRY with rain likely to spread from West later.

London, S.E., S., Cent. S., Cent. N., N.E. England, Midlands, Channel Is.
Dry, bright spells at first, rain later. Max. 8-10C (46-50F).

S.W., N.W. England, Wales, Lakes, Isle of Man, S.W. Scotland
Cloudy, rain or showers. Max. 10C (50F).

E., Cent. Scotland, Borders
Sunny at first, cloud and rain later. Max. 7C (45F).

N.E., N.W. Scotland, Orkney, Shetland, N. Ireland
Cloudy, rain or showers. Max. 7C (45F).

Outlook: Mainly cold, Wintry showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	14	57	Locarno	C	8	46
Algiers	R	13	55	London	F	8	46
Amsdm.	S	8	46	Luxmb.	S	6	43
Athens	C	11	52	Luxor	S	24	75
Bahrain	S	16	61	Madrid	S	13	55
Barclna.	C	14	57	Majorca	C	12	54
Beirut	S	15	59	Malaga	S	17	63
Belfast	C	7	45	Malta	C	14	57
Belgrd.	S	6	54	M'chstr.	C	6	43
Berlin	Sn	−2	28	Melbne.	C	18	64
Biarritz	C	10	50	Milan	C	8	46
Bmghm.	C	5	41	M'ntr'l.	Sn	−1	30
Blackpl.	R	5	41	Moscow	C	−5	23
Bordx.	C	10	50	Munich	S	6	43
Boulgn.	C	8	46	Nairobi	S	24	75
Bristol	R	6	43	Naples	S	15	59
Brussels	S	9	48	Nwcstl.	F	4	39
Budpst.	F	4	39	N. York	R	5	41
B. Aires	C	22	72	Nice	S	16	61
Cairo	S	22	71	Nicosia			
Cardiff	R	6	43	Oporto	C	12	54
Cas'b'ca	F	15	59	Oslo	F	−1	30
Cape T.	S	25	77	Paris	C	7	45
Chicago	Sn	3	27	Perth	C	30	86
Cologne	F	5	41	Prague	S	4	39
Cpnhgn.	C	1	34	Reykjvk.	Sn	0	32
Corfu	S	16	61	Rhodes	S	15	61
Dublin	F	10	50	Rio J'o	S		90
Ednbgh	C	5	41	Rome	F	16	61
Faro	S	15	59	Salzbg.	S	7	45
Florence	C	14	57	Singapr.	S	31	88
Frankft.	C	16	43	Stckhm.	C	0	32
Funchal	F	18	64	Strasbg.	S	9	48
Geneva	C	4	39	Sydney	C	26	79
Gibrltr.	S	17	63	Tangier	F	14	57
Glasgow	C	5	41	Tehran	S	8	46
G'msey	C	6	43	Tel Aviv	S	15	59
Helsinki	C	−7	19	Tenerife	S	14	57
H. Kong	C	17	67	Tokyo	C	7	45
Innsbrk.	S	7	45	Toronto	Sn	0	32
Invrnss.	S	8	46	Tunis	C	16	61
I.o.Man	R	6	43	Valencia	R	11	52
Istanbul	S	3	37	Venice	F	7	45
Jersey	C	5	41	Vienna	S	4	39
Jo'burg	S	24	75	Warsaw	F	−1	30
L. Plms.	S	20	68	Zurich	S	4	39
Lisbon	F	13	55				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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